

EXHIBIT “A”



UNITED FIRE GROUP®
UNITED FIRE & CASUALTY COMPANY

118 Second Avenue SE
P.O. Box 73909
Cedar Rapids, IA 52407-3909

Commercial Policy Declarations

Policy No: 60506785

Policy Term: 06-15-2020 to 06-15-2021

Renewal Of: 60506785

Insured Name & Address

Episcopal Churches of PA
C/O Sovereign Insurance Group
400 W. Lancaster Ave.
Devon, PA 19333-1531

Agent Name & Address

Murray Eight Agency Inc – EDP
400 West Lancaster Avenue
Devon, PA 19333
610-535-6800

Agency Code

630346

Your Business/Operations Description: Religious Institution

You are a ☐ Corporation ☐ Individual ☐ Partnership Other Non - Profit

Schedule of Premises - Parts I & II (Location Controlled, Occupied, Owned or Rented by You)

Loc.

<u>No.</u>	<u>Location</u>	<u>County</u>	<u>Construction</u>	<u>Occupancy</u>
1	See Schedule of Premises	Various	Various	Various

Limits (See Part II D 2) - Part II (N/A means no coverage.)

\$2,000,000 Each Occurrence
\$4,000,000 General Aggregate/Total Limits - All Other Than Products/Completed Operations
\$4,000,000 Aggregate/Total Limits - Products/Completed Operations
\$ 15,000 Medical Payments - Per Person
\$1,000,000 Fire Legal Liability Supplemental Coverage
\$2,000,000 Personal Injury/Advertising Injury Supplemental Coverage

Total Annual Premiums

Total Premium - Part I Property:
Total Premium - Part II Liability
Total Premium - Inland Marine
Total Estimate Charge

Endorsements and Forms Made Part of this Policy (Ed. Date) :

Part I: See Endorsement A
Part II: See Endorsement A
All Parts: See Endorsement A

Mortgagee(s) & Mailing Address

Schedule on file with company

Bill Type : A/C - AY

Countersignature

Date

Subject to all provisions here and in return of premium payment, we agree to provide this insurance for the indicated policy term.

SUPPLEMENTAL DECLARATIONS

Policy No: 60506785

Effective: 06/15/2020

Each basic limit – or, if increased, each revised limit – shown below is *our* maximum limit of liability for the coverage in any occurrence, except as otherwise stated.

COVERAGE PART I		EACH LOCATION	
Arson / Fraud Reward		\$ 20,000	< Limit – All Locations
Broad Form Water Damage	Limit:	\$	\$
Building Code / Law Coverage	Basic Limit:	\$ 50,000	\$
	Revised Limit:	\$1,000,000	\$
Debris Removal	Extra Limit:	\$ 25,000	\$
Donated Vehicles Extension When MMR 501 applies:	Limit:	\$ 10,000	\$
Electronic Data Processing	Basic Limit:	\$ 10,000	\$
	Revised Limit:	\$ 50,000	\$
	Deductible:	\$ 250	\$
Employee Dishonesty	Basic Limit:	\$ 15,000	< Limit – All Locations
	Revised Limit:	\$ 100,000	< Limit – All Locations
Fire Expense Coverages			
• Fire Department Service Charge	Limit:	\$ 5,000	\$
• Fire Extinguisher Recharge Expenses	Limit:	\$ 10,000	\$
Fire and Security Alarm System Upgrade	Limit	\$ 15,000	< Limit – All Locations
Forgery (MMR 172)	Limit:	\$ 50,000	< Limit – All Locations
Identity Recovery (MMR429)	Limit	\$ 15,000	< Limit – All Locations
Inflation	Basic Limit:	2%	
	Revised Limit:		
Key Person Replacement Expenses	Limit	\$25,000	< Limit – All Locations
Lock Replacement	Limit:	\$10,000	\$
Money and Securities	Basic Limit:	\$20,000 on prem. \$ 5,000 off prem.	< Limit – All Locations
	Revised Limit:	\$20,000 on prem. \$10,000 off prem.	< Limit – All Locations
Credit Card Fraud	Limit:	\$ 25,000	
Newly Acquired Property (Cov. A & B)	Limit:	\$ 1,000,000	< Total Limit – All Locations
Non-Owned Detached Trailers	Limit	\$10,000	< Limit – All Locations
Outdoor (Exterior) Signs	Basic Limit:	\$ 15,000	\$
	Revised Limit:	\$	\$

Pollution Cleanup

Basic Limit:	\$ 25,000	< Limit – All Locations
Revised Limit:	\$	< Limit – All Locations
Separate, Specific Deductible:	\$	\$

Property Extensions• **Consequent Loss**

- Utility Services

Basic Limit:	\$ 10,000	\$	\$
Revised Limit:	\$ No Coverage	\$	\$

- Mechanical Breakdown

Basic Limit: *	\$ 2,000	\$	\$
Revised Limit: *	\$ No Coverage	\$	\$

* Annual Aggregate Limit

**COVERAGE
PART I****EACH LOCATION**• **Off Premises**

- Coverage A
- Coverage B

Basic Limit:	\$ 50,000	< Limit – All Locations
Basic Limit:	\$ 50,000	< Limit – All Locations

• **Personal Effects**

- Clergy
- Others

Basic Limit:	\$ 50,000	\$	\$
Revised Limit:	\$	\$	\$
Basic Limit:	\$ 10,000	\$	\$
Revised Limit:	\$ 25,000	\$	\$

Property Limitations

- Furs
- Jewelry

Basic Limit:	\$ 3,000	\$	\$
Basic Limit:	\$ 3,000	\$	\$

Replacement Threshold

Limit:	\$ 5,000	\$	\$
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Trees, Shrubs, Plants, and Lawns

Limit per Occurrence:	\$ 25,000	\$	\$
Limit on Any One Tree, Shrub, Plant, or Lawn:	\$ 2,500	\$	\$

Valuable Papers and Records

Basic Limit:	\$ 25,000	\$	\$
Revised Limit:	\$ 50,000	\$	\$

Water Damage – Sewer / Drain Backup

When MMR 503 applies:	Basic Limit:	\$ 10,000	\$	\$
	Revised Limit:	\$ 100,000	\$	\$

The following coverages apply only if limits for such are shown below.

PART II**EACH LOCATION****Broadened Property Damage**

Limit:	\$
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Directors' and Officers' Liability

Retroactive Date: 06-15-2009	General Coverage Limit:	\$2,000,000	< Total Limit – All Locations
	Aggregate Limit:	\$4,000,000	< Total Limit – All Locations
Subject to Retention of:	Each Individual:	\$	
	Aggregate Limit:	\$	
	Each Individual Coinsurance:	%	

Employee Benefits Liability (Claims Made)

	Per Claim Limit:	\$2,000,000	< Limit – All Locations
	Aggregate Limit:	\$4,000,000	< Limit – All Locations
Retroactive Date: 06-15-1999	Per Claim Deductible:	\$1,000	

Employee Practices Liability (Claims Made)

Retroactive Date: 06-15-1999		\$1,000,000	<Per Person Limit
		\$1,000,000	<Aggregate Limit
	Retention	\$2,500	

Religious Counseling Liability

General Coverage Limit:	\$2,000,000	< Total Limit – All Locations
Aggregate Limit:	\$4,000,000	< Total Limit – All Locations

COMMERCIAL LIABILITY SCHEDULE OF COVERAGE**PART II****Policy Number: 60506785****Effective Date: 06-15-2020****Name Insured :** Episcopal Churches of PA

Classification	Code	Premium Basis		Rate		Rate	
		Pr/Co	Other	Pr/Co	Other	Pr/Co	Other
0090 Religious Institution Including Shed and Parsonage							
Directors and Officers Liability							
Employee Benefits							
Employers Practice Liability							
Fire Legal Liability							
Nursing Liability							
Religious Counseling Liability							
Medical Payments							
Sexual Misconduct Liability – Expanded Defense							

THIS POLICY CONTAINS AGGREGATE LIMITS: SEE PART II D FOR DETAILS

COMMERCIAL SCHEDULE OF COVERAGE**PARTS I & II****Policy # 60506785****Effective Date 06/15/2020****Name Insured :** Episcopal Churches of PA

Schedule of Premises – For use with Parts I and I or II

Part II : List all Locations Controlled, Occupied, Owned or Rented by You: *

Loc. No.	Build. No.	Location	County	Construction (Part I)	Applies to Part/ Part(s)	Occupancy
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See Endorsement C

COMMERCIAL PROPERTY SCHEDULE OF COVERAGE**PART I****Policy Number:** 60506785**Effective Date:** 06-15-2020**Name Insured:** Episcopal Churches of PA**Schedule of Coverage:**

Loc #	Bldg#	Limits of Liability	Coverage	Cause of Loss	Deductible	Windstorm Deductible	Replacement Cost
		• Schedule on file with company		Expanded	\$1,000	\$1,000	Yes

Endorsement A**Policy Number: 60506785****Effective Date: 06-15-2020****Forms and Endorsement Applicable to Part I & II**

MCM411 0115	Certified Terrorism Loss Coverage
MCM418 0115	Non-Certified Acts of Terrorism Exclusion
MCM810 1007	Mandatory Endorsement – Pennsylvania
MMR010 0910	Religious Institutions Policy
MMR011 0910	Supplemental Declarations
Endorsement B	Additional Named Insured Schedule
Privacy Notice	

Forms and Endorsement Applicable to Part I

MMB030 0610	Equipment Breakdown Coverage – Religious Institutions
MMB200 0610	Equipment Breakdown Schedule
MMP116 0909	Earthquake Coverage
MMR172 1205	Forgery or Alterations Crime Coverage
MMR200 0910	Religious Institutions Extension Endorsement
MMR213 1205	Builders Risk Coverage
MMR422 1205	Extended Replacement Cost Coverage
MMR424 1205	Accounts Receivable Coverage
MMR427 0206	Named Insured Property Deductible
MMR429 0910	Identity Recovery Coverage-Part I (Religious Institutions)
MMR501	See form MMR010 – Religious Institution Policy
MMR503	See form MMR010 – Religious Institution Policy
Endorsement C	Schedule of Location
Endorsement F	Modification to Money & Securities
Endorsement J	Statement of value
Endorsement U	Vacancy, and Other Increase in Hazard
Endorsement V	Named Insured
Endorsement W	Broad Named Insured
Endorsement X	Personal Effects of Clergy
Endorsement Y	Modification to MML100
Endorsement Z	90 Day Cancellation Clause

Forms and Endorsement Applicable to Part II

MCL187 0407	Lead/Lead Contamination and Asbestos Exclusion
MCL205 0605	Knowledge/Notice of an Injury or Occurrence
MCL320 0605	Additional Insured
MCL425 0605	Employee Benefits Liability Coverage
MML100 1205	Trampoline Exclusion
MML800 1098	Employment Practice Liability Insurance
MMR400 1107	Religious Counseling Liability
MMR411 1205	Directors and Officers Liability – Claims Made Part II
MMR412 12/05	Hired and Non Owned Automobile Liability
MMR413 12/05	Teachers Errors & Omission
MMR415 12/05	Cemetery Operations Errors & Omissions
MMR421 1205	Aggregate/Total Limit – Per Insured
MMR423 1205	Nursing Liability Coverage
Endorsement P	Part II Liability Schedule
Endorsement R	Schedule of Insureds
MMR425 1107	Sexual Misconduct Liability Coverage – Expanded Defense
MMR511 1205	See form MMR010 – Religious Institution Policy
MMR512 1205	See form MMR010 – Religious Institution Policy

Forms and Endorsement Applicable to Inland Marine

MIM010 0607	Inland Marine Common Provisions
MIM112 1296	Miscellaneous Property Floater
MIM102 0407	Computer Hacking and Virus Exclusion
MIM110 1296	Fine Arts Coverage
MIM140 0115	Certified Terrorism Loss Coverage
MIM143 0115	Non-Certified Acts of Terrorism Exclusion
MIM520 1296	Replacement Cost Coverage – Applicable to Computer Equipment Only
Endorsement K	Fine Arts Schedule of Insured's

Endorsement F – Money/Securities

Policy Number: 60506785
Effective Date: 06/15/2020

Form MMR010- Part IA- Main Property Coverage
Common Glossary Part I and II, - Part I, Securities to include

Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include “money”.

Endorsement U – Vacancy, Unoccupancy and Other Increase in Hazard

Policy Number: 60506785
Effective Date: 06/15/2020

PART I G – SPECIAL PART I CONDITIONS, ITEM 3 - OTHER SPECIAL CONDITIONS, SECTION C - VACANCY, UNOCCUPANCY AND OTHER INCREASE IN HAZARD ITEMS 1 AND 2 have been amended to read as follows:

C. Vacancy, and Other Increase in Hazard

(1) If the building where loss or damage occurs has been vacant for more than 120 consecutive days before that loss or damage occurs:

We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

(2) No longer applies.

Endorsement V – Named Insured

Policy Number: 60506785
Effective Date: 6/15/2020

Named Insured on Policy Declarations is to read:

Episcopal Churches of PA, and their associated Daycares, Ministries, Operations, its Districts, its Officers, Directors, Trustees, Members, Employees and Volunteers while acting within the scope of their duties for the named insured - see Endorsement B - Named Insured Schedule

Endorsement W – Broad Named Insured

Policy Number: 60506785
Effective Date: 6/15/2020

It is agreed that throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations and any entity incorporated or organized under the laws of the United States of America (including any State thereof), its territories or possessions or Canada (including any Province thereof) in which the Named Insured shown in the Declarations owns, during the policy period, an interest of more than 50 percent. If other valid and collectible insurance is available to any business entity covered by this policy solely by reason of ownership by the Named Insured shown in the Declarations in excess of 50 percent, this insurance is excess over the other insurance, whether primary, excess, contingent, or on any other basis.

MMP 116 09 09

EARTHQUAKE COVERAGE – OPTION 6 • PART I (SUB-LIMIT)

This endorsement establishes the provisions for Earthquake as an additional covered Cause of Loss. The required information may be shown below or elsewhere in this policy.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

Policy #60506785

SCHEDULE**Number*****Limit of Liability****Deductible****\$1,000,000 sub limit per risk****\$50,000****Aggregate Limit****\$5,000,000****“Including Masonry Veneer” Option****Yes**☐**No****XX*****Item No. or Location/Bldg Nos. as Shown in the Declarations****COVERAGE MODIFICATION**

Part I C Cause of Loss Options is extended to include Cause of Loss Option 6 covering the following:

- Earthquake
- Volcanic Activity, meaning the effusion, eruptions, or explosions of a volcano other than that described as included in Volcanic Eruption.

All Earthquake shocks or Volcanic Activity that take place within a continuous 168 hour period are considered a single occurrence and constitute a single loss.

Part I Common Exclusions 1. is deleted. However, if loss resulting from fire or explosion, due to earthquake and volcanic activity (including volcanic effusion, eruption or explosion), or theft (to the extent otherwise insured by this policy) ensues, we insure such resulting loss.

Endorsement MCP 119 under Part I C Cause of Loss Options – Option 6 Earthquake is amended to Endorsement MMP 116.

Unless MMP 519 is listed in the Declarations, MMP 116 does not apply to Sprinkler Leakage loss arising out of Earthquake or Volcanic Activity.

ADDITIONAL CONDITIONS

A. Aggregate / Total Limit

Our annual aggregate / total maximum limit payable under this coverage for all losses incurred is the aggregate limit of liability shown in the Schedule. This limit does not increase any limit of liability provided in this policy.

B. Deductible

The Deductible amount otherwise applicable to this policy is replaced by the Deductible listed above in connection with Earthquake or Volcanic Activity loss.

1. Coverage D

We are liable only for such *covered loss* that *you* incur after the first 168 consecutive hours following *direct covered loss* arising out of Earthquake or Volcanic Activity. But this coverage limitation applies only if the subject building is 5 or more stories in height.

C. Property Limitation

We do not cover loss to masonry veneer (except stucco) over wood frame. But this does not apply if less than 10% of the exterior of the subject building is masonry veneer or the "Including Masonry Veneer" option on this form is checked "Yes."

The value of such veneer is not used in connection with Coinsurance Condition I G. 2. E.

D. Time of Attachment

Coverage does not begin until 168 hours after the effective date of this endorsement, unless such is concurrent with the effective date of this policy.

MMR 424 12 05

Accounts Receivable Coverage • PART I

This endorsement provides accounts receivable coverage for your operations. The required information may be shown below or elsewhere in this policy.

The provisions of this endorsement apply only when the endorsement number is listed in the declarations. Except as provided below, all other provisions in this policy are unchanged.

Policy # 60506785

Effective Date: 6-15-2020

50,000 < Accounts Receivable Limit

The following is added to Part I B – Supplemental Coverages

Accounts Receivable Coverage

This covers, up to the applicable limit shown above, loss due to *your* inability to collect on accounts receivable/credit card billings because of a *covered loss* to records of such accounts. This covers all sums due *you* from customers which are uncollectible because of such loss. This also includes *your* increased collection expenses, and other reasonable necessary expenses incurred by *you* to replace or restore these records.

Coverage does not apply to loss from the following:

- Due to accounting, billing, bookkeeping error or omission.
- Where proof is dependent upon an audit, or inventory computation. But such can be used in support of a claim which *you* prove through other sources.

This supplemental coverage is an additional amount of insurance.

NURSING LIABILITY COVERAGE FORM – PART II

This endorsement, if listed in the Declarations, extends the liability coverage to nursing activities performed on your premises or elsewhere. The required information may be shown below or elsewhere in this policy.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

Policy # 60506785

Effective Date: 06/15/20

LIMITS OF INSURANCE

\$1,000,000 Each *Medical Incident*
 \$1,000,000 Aggregate

1. The Limits of Insurance shown above or elsewhere in this policy and the rules below fix the most we will pay regardless of the number of:
 - a. *Insureds*;
 - b. Claims made or suits brought; or
 - c. Persons or organizations making claim or bringing suits.
2. The Each *Medical Incident* Limit is the most we will pay for all damages because of injury arising out of any one *medical incident* or suit covered under this insurance.

COVERAGES**1. Insuring Agreement**

We will pay those sums that:

- A. The insured becomes legally obligated to pay as damages because of injury to which this insurance applies; or
- B. *You* shall become legally obligated to pay as damages because of injury to which this insurance applies caused by any *insured* for whose acts or omissions *you* are legally responsible.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS.

This insurance applies only to injury which occurs during the policy period. The injury must be caused by a *medical incident*.

We will have the right and duty to defend any suit seeking those damages, but

- a. The amount *we* will pay for damages is limited as described in SECTION I – LIMITS OF INSURANCE.
- b. *We* may investigate and settle any claim or suit at *our* discretion; and

- c. *Our* right and duty to defend ends when *we* have used up the applicable limit of insurance in payment of judgment or settlements.

2. Exclusions

This insurance does not apply to:

- A. Injury for which the *insured* is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This includes but is not limited to any contract or agreement between a physician or surgeon and the *insured*. This exclusion does not apply to any warranty, or fitness or quality of goods or products.
- B. Any obligation of the *insured* under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- C. *Bodily injury* to
 - 1. An *employee* of the *insured* arising out of and in the course of employment by the *insured*, or
 - 2. The spouse, child, parent, brother or sister of that *employee* as a consequence of (1) above.

This exclusion applies:

- 1. Whether the *insured* may be liable as an employer or in any other capacity; and
 - 2. To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- D. The ownership, maintenance, use or entrustment of any aircraft, motor vehicle, trailer or watercraft owned or operated by or rented or loaned to any *insured*. Use includes operation and *loading* or *unloading*.
- E. Injury arising out of the performance by the *insured* of a criminal act.
- F. Injury for which the *insured* may be held liable as a proprietor, superintendent, administrator, officer, stockholder, or member of the board of directors, trustees, or governors of any hospital, sanitarium, medical clinic with bed and board facilities, nursing home, laboratory, or any other similar business enterprise.

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim or suit *we* defend:

- a. All expenses *we* incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. *We* do not have to furnish these bonds.
- c. All reasonable expenses incurred by the *insured* at *our* request to assist *us* in the investigation or defense of the claim or suit including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the *insured* in a suit.

- e. Pre-judgment interest awarded against the *insured* on that part of the judgment *we* pay. If *we* make an offer to pay the applicable limit of insurance, *we* will not pay any pre-judgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before *we* have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance. These payments will not reduce the limits of insurance.

WHO IS AN *INSURED*

1. The following is an insured as respects the insurance provided under this coverage form:
 - a. The organization named in this policy (*you*) and any executive officers or directors while acting within the scope of their duties as such.
 - b. *Your employees* (other than executive officers) while acting within the scope of their duties as such.
 - c. Any of *your* members, but only with respect to their liability for *your* activities or activities they perform as such on *your* behalf.
 - d. Any trustee, official, member of the board of governors or clergyman, but only with respect to their duties as such for *you*.
 - e. Any other person who is a volunteer worker for *you*, but only while acting at *your* direction and within the scope of their duties for *you* as such. However, no volunteer is an *insured* for:
 1. *Bodily injury* to a co-volunteer or *your employee* arising out of and in the course of their duties for *you* as such;
 2. *Property damage* to property owned, occupied or used by, rented, in the care, custody, or control of, or over which physical control is being exercised for any purpose by: *you*; any co-volunteer; *your employee*.
 - f. Persons (other than *your employees*) or organizations acting as real estate manager for *you*.
 - g. An organization (not a partnership, joint venture or limited liability company) that *You* newly acquire or form, if owned with majority interest by *you*: but only up to 364 days after *you* first acquire or form such or the end of the policy term, whichever ends first. Such entity is not an *insured* under this policy if there is other similar insurance available to it or for any accidents, *occurrences* or offenses prior to the time of such acquisition or formation.

This insurance does not apply to any partnership, joint venture or limited liability company – of which the *insured* is a partner or member – if not named in this policy, including those responsible for such.

2. The following is not an *insured* as respects the insurance provided under this coverage form:
 - a. Any nurse, whether or not acting at *your* direction and within the scope of his or her duties. This includes nurses who are volunteers, *employees* or independent contractors.

CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the *insured* or of the *insured's* estate will not relieve *us* of *our* obligations under this Coverage Form.

2. Duties in the Event of a *Medical Incident*, Claim or Suit.

- a. *You* must see to it that *we* are notified promptly of a *medical incident* which may result in a claim. Notice should include:
 - 1. How, when and where the *medical incident* took place, and
 - 2. The names and addresses of all injured persons and witnesses.
- b. If a claim is made or suit is brought against any *insured*, *you* must see to it that *we* receive prompt written notice of the claim or suit.
- c. *You* and any other involved *insured* must:
- d. Immediately send *us* copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
- e. Authorize *us* to obtain records and other information;
- f. Cooperate with *us* in the investigation, settlement or defense of the claim or suit; and
- g. Assist *us*, if *we* request, in the enforcement of any right against any person or organization which may be liable to the *insured* because of injury or damages to which this insurance may also apply.
- h. No *insureds* will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, without *our* consent.

3. Legal Action Against *Us*.

No person or organization has a right under this Coverage Form:

- a. To join *us* as a party or otherwise bring *us* into a suit asking for damages from an *insured*; or
- b. To sue *us* on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue *us* to recover on an agreed settlement or a final judgment against an *insured* obtained after an actual trial, but *we* will not be liable for damages not payable under the terms of this Coverage Form or in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by *us*, the *insured* and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the *insured* for a loss *we* cover under this Coverage Form, *our* obligations are limited as follows:

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis.

5. Premium Audit.

- a. *We* will compute all premiums for this Coverage Form in accordance with *our* rules and

rates.

- b. Premium shown in this Coverage Form as advance premium is a deposit premium only. At the close of each audit period *we* will compute the earned premium for that period. Audit premiums are due and payable on notice to the *First Named Insured*. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, *we* will return the excess to the *First Named Insured*.
- c. The *First Named Insured* must keep records of the information *we* need for premium computation and send *us* copies at such times as *we* may request.

6. Representations.

By accepting this policy, *you* agree;

- a. Those statements are based upon representations *you* made to *us*; and
- b. *We* have issued this policy in reliance upon *your* representations.

7. Separation of Insureds.

Except with respect to Limits of Insurance, and any rights or duties specifically assigned to the *First Named Insured*, this insurance applies:

- a. As if each *Named Insured* were the only *Named Insured*; and
- b. Separately to each *insured* against whom claim is made or suit is brought.

8. Transfer of Rights of Recovery Against Others to Us.

Rights of the *insured* to recover all or part of a payment made under this Coverage Form are transferred to *us*. The *insured* must do nothing after loss to impair them. At our request, the *insured* will bring suit or transfer those rights to *us* and help *us* enforce them.

GLOSSARY

The Glossary is amended to include the following definition applicable to this coverage:

Loading or unloading means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, motor vehicle or trailer; or
- b. While it is in or on an aircraft, watercraft, motor vehicle or trailer; or
- c. While it is being moved for an aircraft, watercraft, motor vehicle or trailer to the place where it is finally delivered.

But *loading or unloading* does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft, motor vehicle, or trailer.

Medical incident means an act or omission:

- a. In the furnishing of nursing services by a nurse or by any person acting under the personal direction, control or supervision of a nurse, or
- b. In the service by a nurse as a member of *your* formal accreditation, standards review or similar professional board or committee.

An act or omission together with all related acts or omissions in providing services to any one person shall be considered one *medical incident*.

MMR 213 12 05

BUILDER'S RISK COVERAGE • PART I

This endorsement establishes amended provisions modifying Coverage A and related conditions with respect to buildings under construction or additions to completed buildings.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.
 Except as provided below, all other provisions in this policy are unchanged.

COVERAGE MODIFICATION

Coverage A • Buildings/Structures Part I A is replaced by the following provisions:

COVERAGE A • BUILDINGS/STRUCTURES

We cover the described buildings/additions while in the course of lawful construction, including the following extensions:

1. Foundations.
2. If intended to become a permanent part of the described building:
 - Equipment, fixtures, and machinery used to service the building.
 - *Your* building materials and supplies used for the construction.
3. Temporary structures built or assembled on site, including construction forms, cribbing, and scaffolding. But, *we* cover such property under this endorsement only if not otherwise insured.
4. *You* may also choose to extend this insurance to building materials and supplies, intended to become a permanent part of the described building, that are owned by others while such property is in *your* care, control, or custody.

ADDITIONAL CONDITIONS

- A. Part I G.2.A is supplemented by the following:

The amount of insurance shown in the Declarations is a provisional amount based on the full completed value of the building.

This amount is apportioned based on values at the time of loss related to the full completed value of the building, and it is a Condition of this insurance that:

In the event of *covered loss*, *we* are liable for no greater proportion of the loss than the amount of insurance bears to the value at the date of completion.

- B. Additions to Existing Buildings.

If the construction covered by this endorsement is an Addition to an existing building, then, unless otherwise specified in this policy, this insurance applies solely to the described Addition while in the course of construction.

- C. Occupancy Condition.

Unless MCP 540 is listed as applicable in the Declarations, it is a condition of this insurance that the subject building not be occupied prior to completion. If done solely for purpose of testing, machinery pertaining to occupancy may be so installed and operated.

- D. Common Condition 13 is modified and restricted by the following:

Unless MCP 541 is listed as applicable in the Declarations, *you* may not waive, before or after loss, *your* rights of recovery from any architect, building trades contractor or subcontractor, or engineer with respect to the subject of this insurance.



CERTIFIED TERRORISM LOSS COVERAGE • PARTS I AND II

This endorsement modifies the policy to extend coverage for certified acts of terrorism.

Except as provided below, all other provisions in this policy are unchanged.

1. COVERAGE MODIFICATION

- A. Any exclusion of terrorism contained in this policy or attached to this policy by endorsement does not apply to a *certified terrorism loss*.
- B. **Cap on Certified Terrorism Losses**
If the Secretary of the Treasury determines that the amount of *certified terrorism loss* has exceeded the maximum annual liability under the terms of the Federal Terrorism Risk Insurance Act of 2002 or any subsequent action of Congress pursuant to the Act, we will not pay for any amount of *certified terrorism loss* that exceeds such maximum annual liability.
- C. **Other Exclusions**
The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy by the Governmental / Legal / War Exclusion, the Nuclear / Radioactive Loss Exclusion or any other exclusion.

2. ADDITIONAL DEFINITIONS

The following definitions apply:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism that is:

- A. A violent act or an act that is dangerous to human life, property or infrastructure and that resulted in damage with an aggregate loss exceeding \$5,000,000:
 - 1. Within the United States;
 - 2. At the premises of a United States Mission; or
 - 3. To an air carrier (as defined in section 40102 of title 49, United States Code) or to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs;
- B. Committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Certified terrorism loss means loss that results from a *certified act of terrorism*.



NON-CERTIFIED ACTS OF TERRORISM EXCLUSIONS • PARTS I AND II

This endorsement extends the policy to exclude certain loss arising out of terrorism.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

1. COVERAGE MODIFICATION – PROPERTY

- A. If Part I is included in this policy, the following exclusion is added to the PART I COMMON EXCLUSIONS:

NON-CERTIFIED ACTS OF TERRORISM EXCLUSION

1. We do not provide insurance for any loss or damage directly or indirectly arising out of or resulting from a *non-certified act of terrorism*, including any action taken in hindering or defending against an actual or expected *non-certified act of terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

If loss resulting from fire (to the extent insured by this policy) ensues, we insure such resulting loss. However, this exception for fire applies only to direct physical loss by fire to covered property. Therefore, this exception does not apply to any sort of consequential loss, loss of use, or loss of utility, including losses under Business Income and /or Extra Expense coverages.

2. Regardless of the amount of damage and losses, this *Non-certified Acts of Terrorism* Exclusion applies to any *non-certified act of terrorism*:
- a. That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
 - b. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 - c. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *non-certified act of terrorism* was to release such materials.

In incidents of *non-certified acts of terrorism* other than those described in the preceding Paragraphs 1.A. 2.a, b, and c, the *Non-certified Acts of Terrorism* Exclusion will not apply unless the *insured damage* to all types of property (in the United States, its territories and possessions, the District of Columbia, Puerto Rico and Canada), sustained by all persons and entities affected by the *non-certified act of terrorism* (and including loss of Business Income and Extra Expense sustained by owners or occupants of such damaged property), exceeds a total of \$25,000,000. Multiple *non-certified acts of terrorism* which occur within a

seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one *non-certified act of terrorism*.

The preceding paragraph describes the threshold used to measure the magnitude of a *non-certified act of terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether the *Non-certified Acts of Terrorism* Exclusion will apply to that incident. When the *Non-certified Acts of Terrorism* Exclusion applies to a *non-certified act of terrorism*, there is no coverage under this insurance.

In the event of any *non-certified act of terrorism* that is not subject to the *Non-certified Acts of Terrorism* Exclusion, coverage does not apply to any element of loss or damage that is otherwise excluded under this insurance.

3. However, with respect to any activity that also comes within the terms of the Governmental / Legal / War Exclusion, that exclusion supersedes this *Non-certified Acts of Terrorism* Exclusion.

In the event of a *non-certified act of terrorism* that involves nuclear reaction or radiation, or radioactive contamination, this *Non-certified Acts of Terrorism* Exclusion supersedes the Nuclear / Radioactive Loss Exclusion.

- B. If Part I is included in this policy, the PART I – GOVERNMENTAL / LEGAL / WAR COMMON EXCLUSION is replaced by the following:

GOVERNMENTAL / LEGAL / WAR

- 1. Any act or condition of: war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such act or condition, whether actual or expected. With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this exclusion supersedes the Nuclear / Radioactive Loss Exclusion.
- 2. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured*. Statutory fines or liability. Exemplary or punitive damages.
- 3. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations. Loss to property that is contraband or in the course of illegal transportation or trade.



4. Damage or destruction of property ordered by civil authority, other than immediate acts of destruction ordered by authorized civil authorities for the purpose of preventing the spread of fire – provided the fire originates from a cause of loss covered by this policy.

2. COVERAGE MODIFICATION – LIABILITY

If Part II is included in this policy, the following exclusion is added to the PART II – COMMON EXCLUSIONS:

NON-CERTIFIED ACTS OF TERRORISM EXCLUSION

We do not insure *bodily injury, property damage, personal injury or advertising injury* arising directly or indirectly out of a *non-certified act of terrorism*, including any action taken in hindering or defending against an actual or expected *non-certified act of terrorism*.

However this exclusion only applies if one or more of the following are attributable to a *non-certified act of terrorism*:

- A. The total of *insured damage* to all types of property sustained by all persons and entities affected by the *non-certified act of terrorism* (and including loss of Business Income and Extra Expense sustained by owners or occupants of such damaged property), exceeds \$25,000,000; or
- B. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 1. Physical injury that involves a substantial risk of death; or
 2. Protracted and obvious physical disfigurement; or
 3. Protracted loss of or impairment of the function of a bodily member or organ; or
- C. The *non-certified act of terrorism* involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- D. The *non-certified act of terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- E. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *non-certified act of terrorism* was to release such materials.

The preceding Paragraphs 2.A and B describe the thresholds used to measure the magnitude of a *non-certified act of terrorism* and the circumstances in which the threshold will apply for the purpose of determining whether the *Non-certified Acts of Terrorism Exclusion* will apply to that incident. When the *Non-certified Acts of Terrorism Exclusion* applies to a *non-certified act of terrorism*, there is no coverage under this insurance.

In the event of any *non-certified act of terrorism* that is not subject to the *Non-certified Acts of Terrorism Exclusion*,

coverage does not apply to any loss or damage that is otherwise excluded under this insurance.

Multiple *non-certified acts of terrorism* which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one *non-certified act of terrorism*.

3. OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy by the Governmental / Legal / War Exclusion, the Nuclear / Radioactive Loss Exclusion or any other exclusion.

4. ADDITIONAL DEFINITIONS

The following definitions apply:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism that is:

- A. A violent act or an act that is dangerous to human life, property or infrastructure and that resulted in damage with an aggregate loss exceeding \$5,000,000:
 1. Within the United States;
 2. At the premises of a United States Mission; or
 3. To an air carrier (as defined in section 40102 of title 49, United States Code) or to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs;
- B. Committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

Non-certified act of terrorism means a violent act or an act that is dangerous to human life, property or infrastructure and that is:

- A. Committed by an individual or individuals and appears to be a part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion; and
- B. Not deemed to be a *certified act of terrorism* under the terms of the Federal Terrorism Risk Insurance Act of 2002 or any subsequent action of Congress pursuant to the Act.

MCM 810 10 07

MANDATORY ENDORSEMENT - PENNSYLVANIA

This endorsement provides a Special Notice, amends the policy in conformance with Pennsylvania Law and modifies other policy provisions.

Except as provided below, all other provisions in this policy are unchanged.

SPECIAL PENNSYLVANIA NOTICE

- A. An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, and issuance, renewal or continuation of, a policy of insurance:
1. Surveys;
 2. Consultation or advice; or
 3. Inspections.
- B. The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, are not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Exemptions of this Act do not apply to the following:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors.
2. To consultation services required to be performed under a written service contract not related to a policy of insurance.
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

ADDITIONAL CONDITIONS

The COMMON CONDITION - CANCELLATION / TERMINATION is supplemented as follows:

B. Our Right to Cancel / Terminate

1. Policies in Effect Less Than 60 Days.
We may cancel this policy by mailing or delivering to the *first named insured* written notice of cancellation not less than 30 days prior to the effective date of cancellation.
2. Policies in Effect 60 Days or More.
If this policy has been in effect for 60 days or more or is a renewal of a policy with *us*, we may cancel only for one or more of the following reasons by mailing or delivering to the *first named insured* written notice of cancellation:
 - a. *You* have made a material misrepresentation which affects the insurability of the risk.
 - b. *You* fail to pay a premium when due - whether the premium is payable directly to *us* or *our* agents or indirectly under a premium finance plan or extension of credit.

- c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period.
- d. Loss of reinsurance or a substantial decrease in reinsurance has occurred. Such loss or decrease must be certified to the Insurance Commissioner as directly affecting in-force policies at such time of cancellation.
- e. *You* materially fail to comply with policy terms, conditions or contractual duties.
- f. *You* materially fail to comply with safety standards or loss control recommendations after receiving written notice from *us* of deficiencies with respect to safety standards or loss control recommendations and after being given a reasonable opportunity to cure such deficiencies.
- g. Any other reason approved by the Insurance Commissioner.
- h. This policy may also be cancelled by *us* effective from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by *us*.

Notice of cancellation / termination must be mailed or delivered by *us*:

- a. Not less than 15 days prior to the cancellation effective date as to a and b;
- b. Not less than 60 days prior to the cancellation effective date as to c, d, e, f, and g.

We mail or deliver *our* notice to the *first named insured's* last mailing address known to *us*. If notice is mailed, it will be by registered or first class mail. Proof of mailing or delivery will be sufficient proof of notice.

Our notice must state:

- a. The specific reasons for cancellation; and
- b. The effective date of cancellation: the policy period will end on this date.

3. Return of Premium

We send the *first named insured* any premium refund due resulting from cancellation. The refund is pro rata and must be returned within 10 business days after the effective date of cancellation. However, our cancellation is effective even if we have not made or offered a refund at such time.



4. Termination (Nonrenewal)

If *we* elect not to renew this policy, *we* mail or deliver written notice of nonrenewal to the *first named insured* not less than 60 days prior to the expiration date of this policy.

Any notice of nonrenewal or renewal premium increase must be mailed or delivered to the *first named insured's* last mailing address known to *us*. If notice is mailed, it will be by registered or first class mail. Proof of mailing or delivery will be sufficient proof of notice.

5. Increased Renewal Premium

If *we* increase *your* renewal premium, *we* must mail or deliver notice of increased premium to the *first named insured*, not less than 30 days prior to the increase.

6. Notice to Mortgagees

If *we* cancel or elect not to renew this policy, *we* will mail or deliver notice of such to the mortgagees named in this policy not less than:

- a. 10 days prior to the effective date of cancellation if *we* cancel for nonpayment of premium.
- b. 30 days prior to the effective date of cancellation if *we* cancel for any other reason.
- c. 10 days prior to the expiration date of this policy if *we* elect not to renew.

7. Automatic Termination

This policy terminates automatically on the expiration date of the expiring policy term if the *first named insured* fails to pay when due any renewal premium, or installment payment, for this policy.

COVERAGE MODIFICATIONS - PROPERTY

If Part I is included in this policy, the following provisions apply:

A. The COMMON CONDITION - ASSIGNMENT OF YOUR INTEREST is amended as follows:

If *you* die, Part I of this policy will remain in effect until the covered property is sold, but no later than:

1. 180 days after *your* death, regardless of the expiration date of the policy term; or
2. The expiration of the policy term.

Coverage during the period following *your* death is subject to all provisions of this policy including payment of all premiums for the policy term or any extension of such.

B. The COMMON CONDITION - ACTION OR SUIT AGAINST US is supplemented as follows:

No action may be brought against *us* until all conditions in this policy are complied with, and unless brought within one year from the date of loss.

No right exists under this policy for *you* or others to make *us* party to an action against any *insured*.

C. Paragraph 2 of the *Our Options in Settling Losses* Section of the HOW LOSSES ARE SETTLED Condition is replaced by the following:

2. *We* may repair or replace all or any part of the property as provided for in this policy, or take all or any part of such property at a mutually agreed, or appraised value. *We* may give notice of *our* intent to do so at any time up to 15 working days after *our* acceptance of *our* liability for the loss (i.e., proof of loss).

COVERAGE MODIFICATIONS - LIABILITY

If Part II is included in this policy, the following provisions apply:

- A. If *you* or *your* employees are certified by a federal or state agency to use herbicides or pesticides, Paragraph A of the Pollution / Environmental Damage Exclusion does not apply with respect to the use of such herbicides or pesticides.
- B. If this policy covers a *residential dwelling* under Part II, the following provisions apply:

PART II C - LIABILITY NOT INSURED

1. *We* will not insure *bodily injury* or *property damage* arising out of any consequences of the failure of any *insured* to disclose the presence of any *lead-based paint* or *lead-based paint hazard* at the time of the sale or lease of a *residential dwelling*.
2. *We* will not defend any action which arises out of such failure.

As used in this endorsement, the following definitions apply:

Lead-based Paint

Lead-based paint means paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight.

Lead-based Paint Hazard

Lead-based paint hazard means any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, or lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate Federal agency.

Residential Dwelling

Residential dwelling means:

1. A single-family dwelling, including attached structures such as porches and stoops; or
2. A single-family dwelling unit in a structure that contains more than one separate residential dwelling unit, and in which each unit is used or occupied, or intended to be used or occupied, in whole or in part, as the residence of one or more persons.

C. If endorsement MCL 425 (Employee Benefits Liability Coverage) is included in this policy, Paragraph 1 of the EXTENDED REPORTING PERIOD Condition of MCL 425 is replaced by the following:

1. This condition applies only if:
 - a. This Coverage Form is cancelled or not renewed for any reason;

- b. *We* renew or replace this Coverage Form with other insurance that:
 - 1. Provides claims-made coverage; and
 - 2. Has a Retroactive Date later than the one shown in this endorsement's schedule; or
 - c. *We* replace this endorsement with other insurance that applies on other than a claims-made basis.
-

RELIGIOUS INSTITUTIONS POLICY — MMR 010 09 10

YOUR POLICY INCLUDES:

- The Declarations Page, describing
 - *You* and *Your* Organization
 - The Locations Covered
 - The Applicable Coverages
 - The Applicable Limits of Liability and Deductible
 - Who *We* are and *Your* Insurance Representative

The Supplemental Declarations, describing

- Special Limits of Liability
- Certain Special Conditions of Coverage

This Religious Institutions Form

The policy may also include other endorsements.

THIS FORM INCLUDES:

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	Coverage B — Personal Property	
	Coverage C — Loss of Income	
	Coverage D — <i>Money and Securities</i>	
	Part I B — Supplemental Coverages	4
	Part I C — Losses Insured	8
	Part I D — Property Exclusions Part I E	9
	— Property Limitations Part I F —	10
	Losses Not Insured Part I G — Special	10
	Part I Conditions:	12
	Duties When Loss Occurs	
	How Losses Are Settled	
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DEFINITIONS AND WORD MEANINGS

Words shown in *italics* are defined in the Glossaries, Part I C, or elsewhere in this policy.

The word "provisions," refers to all or part of the text of this insurance contract — including agreements, conditions, exclusions, limits, limitations, and all other terms.

The meanings of other words or phrases not specifically defined in the Glossaries are to be found in their relevant conventional definition based on consideration of the context in which they are used in this policy.



PART I A • MAIN PROPERTY COVERAGES

COVERAGE A • BUILDINGS

This agreement covers the following property at the described premises for which a limit of liability is shown for Coverage A, subject to all applicable provisions in this policy.

- A. Buildings (buildings include related structures such as garages, storage and similar outdoor structures) owned by *you* and usual to *your* activities / operations as described.
 - B. Additions under construction.* Alterations or repairs. Completed additions.
 - C. Equipment, fixtures, and machinery that are permanent parts of such structures. For example, air conditioning systems, awnings, canopies, elevators, heating systems, and radio and television antennae.
 - D. Outdoor crosses, gravemarkers, statuary, tombstones, and other similar property which is usual to a religious institution.
 - E. Outdoor yard fixtures. For example, fences, flagpoles, and lamps.
 - F. Supplies and materials for use in alteration, construction, or repair of such property.*
If a special limit for such property is shown in the Supplemental Declarations, loss caused by theft is only covered up to that limit.
 - G. Building glass (including stained glass windows).
If MMR 508 is listed in the Declarations, coverage for building glass (including stained glass windows) is deleted.
If MMR 509 is listed in the Declarations, coverage for stained glass windows is deleted.
If MMR 510 is listed in the Declarations, stained glass windows are covered for covered causes of loss except breakage due to vandalism, windstorm or falling objects. Stained glass windows are covered for breakage due to vandalism, windstorm or falling objects provided such windows are protected by Plexiglas or wire mesh screening.
 - H. Permanently installed equipment and furniture such as: altars; baptismal fonts / pools; bells; clocks; fire curtains; lecterns; organs and operating motors; pews; pulpits; railings; seats, desks and tables; sound and communication equipment.
- * If covered by other insurance, such are covered in this policy only on an excess basis.

COVERAGE B • PERSONAL PROPERTY

This agreement covers the following property at the described premises for which a limit of liability is shown for Coverage B, subject to all applicable provisions in this policy.

- A. Tangible personal property owned by *you* and usual to *your* activities / operations as described that is not included in Coverage A.
- B. Similar tangible personal property owned by others in *your* care, custody, or control for *your* use. This does not apply to the extent the loss is covered by others or if *you* are not responsible to others for the loss.
Tombstones are considered personal property of others. If covered by other insurance, such are covered in this policy only on an excess basis.
- C. Tenant's improvements and betterments. This means *your* remaining use interest in items made part of the premises by *you*, or otherwise acquired at *your* expense, which cannot legally be removed by *you*. This coverage applies only when the cost of such items is not included in *your* rent and repair or replacement is made at *your* expense.

COVERAGE C • LOSS OF INCOME RESULTING FROM DIRECT COVERED LOSS

This agreement covers *your* following loss of income and related expenses, subject to all applicable provisions of this policy.

- A. Coverage
 - (1) *Your* following loss of income (that otherwise would have been earned) and related incurred expenses are covered during a necessary interruption of activities or untenability of the premises at the described premises.
 - a. The continuing usual operations expenses (such as payroll, utilities, rents) to the extent such are necessary to restore *your* normal operations. This includes loss which results from the cancellation or suspension of any written agreement which was made prior to the loss, provided that *you* could demonstrate that *you* otherwise would have been able to satisfy and meet all the requirements of the agreement had the *direct covered loss* not occurred.
 - b. The reduction in rental income from tenant occupancies that *you* rent to others at the described premises, plus any continuing charges which are the usual obligations of tenants (under terms of the lease) that become *your* obligation because of the loss.
 - c. Reasonable extra expenses in excess of *your* usual operating expenses to the extent such are necessary to continue *your* normal operations.
 - d. Reasonable increases in living expenses that *you* incur to maintain *your* clergy's customary standard of living when that part of the described premises in which *your* clergy resides is made untenable.

- e. *We cover your Business Income loss in connection with tuition and fees from students, including fees for laboratories or other similar sources. Business Income loss does not include fees for room and board and does not include income from other educational services or related activities.*

Coverage is not provided for expenses incurred which need not continue during the period of interruption or untenability.

- (2) Coverage applies only to loss and expenses that directly result from a *direct covered loss* at the described premises which causes the necessary interruption or untenability.

Coverage also applies, for up to 14 consecutive days from the date of loss, when occupancy of the described premises is prohibited by civil authorities because of loss (as would be covered under this policy) at a local premises not owned or occupied by *you*.

- (3) *You* are required to immediately take all reasonable actions to reduce the amount of *covered loss* and period of interruption or untenability. For example, by: resuming partial operations or occupancy, making use of other locations, or expediting restoration of *your* property. This condition applies in determining the extent and amount of *our* liability for any loss and expense otherwise covered in this policy.

B. Coverage Period

We will pay only for covered loss sustained and related expense incurred during the shorter period of time required to with diligence and ongoing effort either:

- (1) Restore the described operations to the same capability and quality of service which existed just prior to the loss; or

- (2) Promptly repair, restore, or replace that part of the property subject to the *direct covered loss*.

Also, if *you* occupy a premises owned by others and do not have control of its repair or restoration then: *we* provide coverage (if required) beyond this period for the additional time required to effect such repair, replacement, or restoration or 90 days, whichever one is the shorter period.

This period is not limited by the expiration date of this policy, but, in no event is coverage provided beyond 12 months (365 days) from the first day of the *covered loss*.

C. Coverage Limitations

We do not pay for covered loss or expense caused by or resulting from the following:

- (1) The cancellation or suspension of any lease or agreement, other than as provided in Part I A, Coverage C, Item A.1.(a).
- (2) Loss of or to data processing equipment (including component parts), media or software used in *your* operations beyond 30 consecutive days.

- (3) Interference at the described premises by strikers or others with the repair or replacement of property or with the resumption or continuation of *your* operations.

D. Limits of Liability / Coverage

- (1) If marked as "Included" (or if no dollar amount is shown) in the Declarations, no specific maximum dollar limit of liability applies in any one occurrence.
- (2) If a specific dollar amount is shown in the Declarations, the amount shown is *our* maximum limit of liability in any one occurrence.
- (3) If marked as "Deleted", "Nil", "Not Applicable (N/A)", "Not Covered" or some other similar reference in the Declarations, Coverage C does not apply.

COVERAGE D - MONEY AND SECURITIES This agreement covers, up to the applicable limits shown in the Declarations, *your* following loss to *money and securities* used in *your* activities / operations, subject to all applicable provisions in this policy.

- A. On Premises. Meaning loss to such property while within the described premises (but not in alms boxes) or within a bank or similar place of safe deposit.
- B. Off Premises. Meaning loss to such property while being carried by *you*, or any authorized officer, employee or other custodian. Coverage applies to property so enroute to or from the described premises and any bank or similar place of safe deposit or, while so in route, within the living quarters of such authorized custodians.
- C. A \$200 deductible per occurrence applies, unless another deductible amount is shown for this coverage in the Declarations or Supplemental Declarations.

PART I B • SUPPLEMENTAL COVERAGES

These coverages do not extend or modify any provisions of this policy except to the extent specifically described in the following Items 1 through 18. The limits shown for the following Supplemental Coverages are additional amounts of insurance unless otherwise indicated.

1. AUTOMATIC INCREASE IN POLICY LIMITS

The limits of liability for Coverages A and B are increased on an annual pro rata basis by the percentage shown in the Declarations.

2. BUILDING CODE / LAW COVERAGE

A. Coverage A is extended to cover, up to the applicable limit shown in the Declarations Supplement, the loss or expense described in Items 1, 2 and 3 that ensues as a direct consequence of a *covered loss* at the described premises. The losses or expenses covered are:

- (1) The loss caused by enforcement of any building, land use, or zoning code / law in force the date of the *covered loss*, that:
 - a. Requires the demolition of parts of the same property not damaged by a covered cause of loss.
 - b. Regulates the construction or repair of buildings, or establishes building, land use or zoning requirements at the described premises.
- (2) The increased expense *you* incur to construct, rebuild, or repair the property caused by enforcement of building, land use, or zoning code / law in force on the date of the *covered loss*: the property must be intended for the same use / occupancy as the current property unless otherwise prohibited by such code / law.
- (3) The expense *you* incur to demolish undamaged parts of property and clear the site of such parts, caused by enforcement of building, land use, or zoning code / law in force on the date of the *covered loss*.

Coverage C is extended, as to Condition B under Part I A, to the increased period of time required to comply with the conditions described in the preceding Paragraph 1.: but, in no event is coverage provided beyond 12 months (365 days) from the first day of the *covered loss*.

If MMR 513 is listed in the Declarations, this Supplemental Coverage does not apply.

B. *We* are not liable for payment under this Supplemental Coverage:

- (1) Until the property is repaired or replaced by *you* or *us* (at the same premises or elsewhere if permitted or required in this policy); and, unless the repair or replacement is made as soon as possible after the loss, but not later than the period described in Part I G. Condition 2 C.

- (2) For any loss or expense arising out of the enforcement of any code, directive, law, ordinance, or regulation requiring any *insured* or others to clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat any *pollutants*, asbestos, *fungi*, mold or lead contamination.

C. *Our* maximum liability under this Supplemental Coverage (A.1, 2 and 3 combined), subject to (1), the specified limit and (2), the applicable limits and limitations on *our* liability described in Part I G. Condition 2. A is the sum of the following:

- (1) The cost to demolish the property and clear the site. And,
- (2) The cost to reconstruct / replace the property on the described premises.

D. This Supplemental Coverage does not apply to buildings or structures insured on an *Actual Cash Value* basis.

3. COLLAPSE COVERAGE

A. Coverage is extended to cover the *collapse* of a building or any structural part of a building that ensues only as a consequence of the following:

- (1) Any cause of loss provided for in Coverage B. Under this coverage, these causes of loss apply to both covered buildings and personal property.
- (2) Hidden decay, unless such decay is known to an *insured* prior to *collapse*.
- (3) Hidden insect or vermin damage, unless such damage is known to an *insured* prior to *collapse*.
- (4) Weight of contents, equipment, animals, or people.
- (5) Weight of rain that collects on a roof.
- (6) Use of defective material or methods in construction, remodeling, renovation or repair.

B. For the preceding Items A. (2) through A. (6), *we* do not cover the following unless the loss is a direct result of the *collapse* of a building or a structural part of a building: antennas, including their lead-in wires, masts, or towers • awnings • beach or diving platforms and related equipment or structures • decks • docks, piers or wharves • downspouts or gutters • fences • outdoor swimming pools • paved surfaces of any sort (including but not limited to, bridges, driveways, parking lots, patios, pavements, roads, walks) • retaining walls • yard fixtures.

This Supplemental Coverage does not provide an additional amount of insurance.

4. PROPERTY COVERAGE EXTENSIONS

A. Consequent Loss Coverages (Spoilage)

Coverage B is extended to cover, up to the applicable limits shown in the Supplemental Declarations, loss to property within buildings or other structures on the described premises; *we* cover loss to property spoiled as a consequence of the disruption in power, cooling, heating, or refrigeration service resulting from the following:

- (1) **Loss of Utility Services** • The loss of utility services to the described premises resulting from direct loss (as would be covered by this policy) to property of the utility.
- (2) **Mechanical Breakdown** • The sudden accidental mechanical breakdown or faulty operation (including refrigerant leakage) of equipment on the described premises providing cooling, electrical, heating, or refrigeration service.

This Extension of Coverage does not include loss resulting from or caused by: any conditions within *your* control. For example, insufficient fuel, inadequate or improper maintenance, disconnection or failure to connect units to power source, failure to turn on power or units, and the like.

When such loss results from *covered loss* to power, cooling, heating, or refrigeration equipment on the described premises the specified limits do not apply.

If a \$0 (zero) limit is specified, then the subject coverage is not applicable under this policy.

B. Off Premises Coverage

With respect to personal property covered under this policy (including any covered within the definition of or by extension of Coverage A), premises coverage applies to *covered loss* that takes place outdoors within 100 feet of the described premises. Otherwise, coverage off the described premises is extended as follows:

Coverage A • Coverage A is extended to cover, up to the applicable limit shown in the Supplemental Declarations, property temporarily away from the described premises for maintenance, repair, or service.

Coverage B • Coverage B is extended to cover, up to the applicable limit shown in the Supplemental Declarations, loss to covered property while in transit or otherwise temporarily away from the described premises. Property while in transit is also insured for direct physical loss caused by collision, crashing, or derailment of vehicles; stranding or sinking of vessels; and collapse of bridges, culverts, docks or wharves.

C. Personal Effects of Clergy

Coverage B is extended to cover, up to the applicable limit shown in the Supplemental Declarations, loss to personal effects owned by *your* clergy while at the described premises. This Extension of Coverage does not apply: if there is other insurance available which

covers the loss; or to personal effects while at the residence of *your* clergy.

D. Personal Effects of Others

Coverage B is extended to cover, up to the applicable limit shown in the Supplemental Declarations, loss to personal effects owned by anyone, other than *your* clergy, while at the described premises. This Extension of Coverage does not apply if there is other insurance available which covers the loss.

E. Other than the preceding paragraph A., these Extensions do not provide additional amounts of insurance.

5. ARSON / FRAUD REWARD

We will reimburse *you* for any reward *you* give to anyone who discloses information that leads to the conviction of a person or persons for arson at the described premises.

The most *we* will pay under this special provision is \$5,000.

No deductible applies to this special provision.

6. DEBRIS REMOVAL COVERAGE

A. Coverage is provided, subject to the limits specified in the following Paragraph B., for the necessary reasonable expenses incurred to remove the debris of a property loss covered in this policy.

B. *We* pay such debris removal expense, up to the special limit shown in the Supplemental Declarations, if:

- The sum of the debris removal expense incurred and the amount otherwise payable by *us* for the covered direct physical loss exceeds *our* maximum limit of liability on the loss.

We pay up to the shortfall or special limit, whichever is the lesser amount.

C. This Supplemental Coverage does not apply to any of the following expenses to:

- (1) Remove the debris of trees.
- (2) Extract *pollutants* (whether or not covered property) from land or water.*
- (3) Remove, replace, or restore land or water that is polluted or is a *pollutant*. *
- (4) Remove volcanic ash, dust, or particulate matter that does not cause loss.

* This also excludes the expense to safely dispose of such as required by any code, directive, law, ordinance, or regulation.

D. This Supplemental Coverage applies only to such covered expenses reported to *us* in writing within 180 days from the date of the covered direct physical loss.

E. Other than Extension B, these Extensions do not provide additional amounts of insurance.

7. ELECTRONIC DATA PROCESSING COVERAGE

Coverage B is extended to cover, up to the limits shown in the Supplemental Declarations, direct physical loss to covered property used by *you* in *your* business. The Part I deductible does not apply. This coverage applies in lieu of any other coverage provided in this policy.

A. *We* cover all data processing equipment, including component parts, owned or leased by *you* that are customarily kept at the described premises. However, if *we* schedule items in this policy, then this coverage applies only to the items scheduled.

B. *We* cover *your* media and data (meaning information stored on the media, including concepts, computer programs, facts, and instructional material used in *your* data processing system), including the cost to reconstruct such data.

C. *We* cover reasonable extra expenses in excess of *your* usual operating expense to the extent such are necessary to continue *your* business operations, to the extent required because of covered loss under Part I.

D. Losses Not Insured

Parts I D, I E and I F (other than 2, 3, 7 and 13.A) do not apply. The following exclusions apply: Disappearance — The unexplained or mysterious disappearance of property, or shortages discovered on taking inventory.

Intentional Loss — Acts committed by, or at the direction of, any *insured* with the intent to cause a loss.

We also do not cover loss:

- (1) To media or data which cannot be replaced with other of like kind and quality.
- (2) To property held for lease or sale to others.
- (3) Caused by an original defect or error in programming.
- (4) To media or data which results as a consequence of the failure to perform routine (at least on a monthly basis) complete backups of such media or data with such backups being kept off of the described premises.

8. EMERGENCY REMOVAL COVERAGE

Coverage is extended to cover direct physical loss to covered property when removed from a described premises when in imminent danger of loss by a covered cause of loss. This extension applies for up to 30 consecutive days from the date such removal begins. The "Off Premises" limits Supplemental Coverage 4. B) and Part I E do not apply.

9. EMPLOYEE DISHONESTY COVERAGE

A. *We* will pay up to the limit of liability shown in the Supplemental Declarations, *your* loss of *money*, *securities* and other personal property because of dishonest or fraudulent acts involving *your* employees or volunteer workers (whether acting alone or in

collusion with others). A series of similar or related acts is one occurrence.

B. The limit is not cumulative from year to year even if the acts take place over a period of years. *We* cover loss discovered during the policy term, or within one year from the end of the policy term or the expiration date of a prior bond covering the loss (but only if recovery cannot be made under the prior bond).

C. This does not cover loss where proof is dependent upon a profit and loss or inventory computation. But, such can be used to support a claim which *you* otherwise prove.

D. This insurance is automatically cancelled on any employee or volunteer worker immediately upon discovery by *you* or *your* directors, officers, or trustees of such dishonesty or fraud by the employee or volunteer worker, whether or not *you* make claim or report such to *us*.

10. FIRE EXPENSE COVERAGES

A. Fire Department Service Charges

Coverage is extended to cover, up to the applicable limit shown in the Supplemental Declarations, *your* written contractual obligation to pay service charges when a fire department is called to protect or save property from imminent direct physical loss covered in this policy. The Part I deductible does not apply.

This Supplemental Coverage does not cover service charges:

- (1) Incurred prior to assumption of *your* contractual obligation.
- (2) Arising in connection with a false alarm.

B. Fire Extinguisher Recharge Expense

Coverage is extended to cover, up to the applicable limit shown in the Supplemental Declarations, the cost to recharge fire extinguishers / related equipment discharged in pursuit of extinguishing a fire at the described premises. The Part I deductible does not apply.

11. LOCK REPLACEMENT COVERAGE

We will pay reasonable expenses, up to the limit shown in the Supplemental Declarations, to replace locks at *your* premises. Coverage applies only if *your* keys have been stolen. No deductible applies to this coverage.

12. NEWLY ACQUIRED PROPERTY COVERAGES

A. Coverage is provided for property newly acquired by *you* as follows:

Coverages A and B • *You* may apply an amount not exceeding the limit shown in the Supplemental Declarations to buildings at newly acquired locations, or 25% of the specific limit of liability to additions made in the current policy period to a described premises.

Coverage C • *You* may apply an amount equal to that applicable to Coverage A / Coverage B at the subject location.

These extensions apply when the occupancy at a newly acquired location is similar to the described operations. The "greatest" limit applies where two or more locations described in the Declarations are insured at different limits of liability.

- B. This coverage applies for up to 180 days from the beginning date of acquisition, but not beyond the policy period or after *you* report to *us* such acquisitions or additions.

13. OUTDOOR (EXTERIOR) SIGNS COVERAGE

Coverage is extended to cover, up to the applicable limit shown in the Supplemental Declarations, loss to outdoor signs at the described premises.

We cover such signs for direct physical loss. Parts I D, E and F (other than 13.A) and Part I deductible do not apply (but, a specific "signs" deductible may apply).

14. POLLUTION CLEANUP COST COVERAGE

- A. Coverage is extended to cover, up to the applicable limit shown in the Supplemental Declarations, the necessary reasonable expenses that *you* incur to extract *pollutants* from land or water at the described premises; but only if the discharge, dispersal, emission, escape, migration, release or seepage of *pollutants* is a consequence of fortuitous direct physical loss to covered property caused by a covered cause of loss.

The special limit specified for this Supplemental Coverage is *our* total liability for all such expenses for each annual (12 month) term of the policy — regardless of the number of occurrences or total expenses incurred.

This Supplemental Coverage applies only to such expenses reported to *us* in writing within 180 days from the date of such direct physical loss.

- B. This Supplemental Coverage does not apply to the extraction of any sort of nuclear or radioactive materials — whether such is natural or human made.
 - C. If a specific deductible is shown for this Supplemental Coverage, such deductible applies in lieu of any other deductible otherwise shown as applicable under this policy.
- ### 15. TREES, SHRUBS, PLANTS, AND LAWNS COVERAGE
- Coverage A is extended to cover, up to the applicable limits shown in the Supplemental Declarations, loss (including debris removal expense) to decorative trees, shrubs, plants, and lawns. This coverage applies for all covered causes of loss, other than loss by hail, ice, sleet, snow, or wind. This coverage does not apply to property held or grown for business purposes.

This Supplemental Coverage does not provide an additional amount of insurance.

16. VALUABLE PAPERS AND RECORDS COVERAGE

Coverage B is extended to cover, up to the applicable limit shown in the Supplemental Declarations, *your* expenses (including the cost of research) incurred to replace or restore *valuable papers and records* because of loss to such property by direct physical loss covered under this policy. Parts I D, E and F (other than 7 and 13. A) and the Part I deductible do not apply.

The full Coverage B limit applies to the cost of replacements in blank form, or other costs *you* incur to transcribe or copy written (non-electronic) records.

17. VEHICLE COVERAGE

- A. Coverage B is extended to cover *your* motorized land vehicles which are used principally on the described premises to service the premises or the described operations. For example, electric carts, fork lifts, lawn mowers, tractors and the like so used. If Coverage B is not provided in this policy, then Coverage A is extended to cover such vehicles used exclusively to service the premises.

Coverage does not apply to any vehicles which are: licensed for use on public roads; not principally kept on the described premises; or more specifically insured.

- B. If MMR 501 is listed in the Declarations, Coverage B is extended to cover, up to the applicable limit shown in the Declarations, loss to motorized land vehicles, trailers and watercraft which are: donated to *you*; and held by *you*, at the described premises, pending sale.

Loss under this Extension is settled on the basis of the *actual cash value* of the property at the time of loss.

This Supplemental Coverage does not provide an additional amount of insurance.

18. WATER DAMAGE / RELATED DAMAGE REPAIR EXPENSE COVERAGE

- A. Coverage A is extended to cover the following additional expenses incurred in connection with an otherwise covered Sprinkler Leakage loss or Water Damage loss (including freezing) when the building containing the appliance, equipment, or system is covered property under this policy:
 - (1) The expense to repair damage to the building that occurs because of necessary reasonable efforts to get at and repair damage to the appliance, equipment, or system from which water escapes.
 - (2) The concurrently incurred expense to repair or replace that particular defective / damaged part (joint, piece of pipe, valve, or similar specific item)

of the appliance, equipment, or system from which water escapes.

B. This Supplemental Coverage does not apply:

- (1) To the expense to repair or replace the subject appliances, equipment, or systems, other than the particular defective / damaged

part as provided for in the preceding Paragraph A. 2.

- (2) If others are responsible by contract or law for payment of such expenses.

This Supplemental Coverage does not provide an additional amount of insurance.

PART I C • LOSSES INSURED

GENERAL CAUSE OF LOSS CONDITIONS — COVERAGES A, B, C

The various causes of loss cover fortuitous direct physical loss not otherwise excluded or limited. Loss — *covered loss* — means: fortuitous direct physical damage to or destruction of covered property by a covered cause of loss, (including, if covered, the taking of the subject covered property by theft and damage arising in the course of such theft). Covered cause of loss means a cause of loss contemplated by the following to the extent that such are applicable to the subject covered property.

Direct physical loss does not include or mean any sort of consequent loss, loss of use, or loss of utility. But such loss may otherwise be specifically provided for in this policy; for example, see Coverage C or Supplemental Coverage 4.

1. BASIC PLUS COVERAGE

If the declarations show that "Basic Plus Coverage" applies, property covered under this policy is insured against fortuitous direct physical loss as follows:

Coverage A • Property included in Coverage A is insured against fortuitous direct physical loss, subject to all applicable provisions of this policy.

Coverage B • Property included in Coverage B is insured against fortuitous direct physical loss by the following, subject to all applicable provisions of this policy:

- Fire (hostile fire)
- Aircraft*
- Explosion
- Falling Objects*
- Glass Breakage*
- Lightning
- Riot or Civil Commotion*
- Sinkhole Collapse*
- Smoke*
- Sprinkler Leakage*
- Vandalism*
- Vehicles*
- Volcanic Eruption*
- Weight of Ice, Sleet, or Snow
- Windstorm / Hail
- See following cause of loss descriptions.

2. EXPANDED COVERAGE

If the Declarations show that "Expanded Coverage"

applies, property covered under this policy is insured against fortuitous direct physical loss as follows:

Coverage A and Coverage B.

Property covered under this policy is insured against fortuitous direct physical loss, not otherwise excluded or limited in this policy. If only Coverage B applies, this includes loss (other than by fire or explosion or to glass) to that part of a nonowned building occupied by *you* or containing *your* property directly resulting from an act of theft, provided *you* are responsible to others for such loss.

The losses and costs excluded under the descriptions of the causes of loss Falling Objects and Sinkhole Collapse (below) also apply to Expanded Coverage.

3. DESCRIPTION OF CAUSES OF LOSS

The following cause of loss definitions apply:

A. Aircraft: This means direct physical contact of aircraft with covered property. Aircraft includes objects that fall from aircraft, spacecraft, or self-propelled missiles.

B. Falling Objects: This means damage to other property caused by the falling object.

This does not include:

- (1) Loss to personal property outdoors (not in buildings).
- (2) Loss to the interior of a building, or any property within a building, unless the falling object first penetrates the roof or exterior walls of the building.

C. Glass Breakage: This means damage to other property caused by breakage of glass that is part of buildings.

D. Riot or Civil Commotion: This includes, but is not limited to:

- (1) Acts of striking employees while occupying the described premises;
- (2) Looting occurring at the time and place of riot or civil commotion.

E. Sinkhole Collapse: This means abrupt collapsing or sinking of land causing loss to covered property: such collapsing or sinking must be into an underground empty space created by the action of water on limestone or similar rock.

This does not include: the cost of filling sinkholes; collapsing or sinking into man made cavities.

- F. Smoke: This means smoke causing abrupt Accidental direct physical loss.
- G. Sprinkler Leakage: This means accidental Discharge or leakage from an *automatic sprinkler system* and the collapsing of a tank that is part of such system.
- H. Vandalism: This means wilful malicious damage To property, and includes such damage done to a building by burglars while breaking into or out of such building.
This does not include: breakage of building glass or signs; loss by theft.
- I. Vehicles: This means direct physical contact of a vehicle, or an object thrown up by a vehicle, with covered property.
This does not include: loss caused by vehicles *you* own or which are operated in the course of *your* business.
- J. Volcanic Eruption: This means only:
- (1) Airborne blast or shock waves; and
 - (2) Ash, dust, or particulate matter other than that which can be swept or washed away without leaving physical damage; and
 - (3) Lava flow; caused by eruption of a volcano. But see Part I Common Exclusion 1.

All volcanic eruptions that take place within a continuous 168 hour period are considered a single occurrence and constitute a single loss.

- K. Water Damage*: Means the abrupt accidental discharge of water as a direct result of the breaking or cracking of any part of an appliance, equipment, or system containing water; but see Sprinkler Leakage for

an *automatic sprinkler system*.

Water includes steam and such discharge of other liquids or materials.

- * Applicable to Coverage A and Expanded Coverage for Coverage B.

4. SPECIFIED CAUSES OF LOSS

Where the term *specified causes of loss* is used, the term means the following: Fire • aircraft • explosion • falling objects • lightning • riot or civil commotion • sinkhole collapse • smoke • sprinkler leakage • vandalism • vehicles • volcanic eruption • water damage • weight of ice, sleet, or snow • windstorm / hail.

However, these apply only to the extent that the subject property is otherwise insured for such causes of loss.

5. COVERED LOSS

- A. Coverages A and B • *Covered loss* as described in Part I C, General Cause of Loss Conditions.

- B. Coverage C • Relevant to the context in which it is used:

(1) *Direct covered loss* means: the fortuitous direct physical loss as described in Part I C, General Cause of Loss Conditions, which occurs at described premises occupied by *you* (occupancy is not a condition for Rental Income loss), which directly results in the subject covered Loss of Income;

(2) *Covered loss* means: the subject covered Loss of Income which results as a direct consequence of such described *direct covered loss*.

PART I D • PROPERTY EXCLUSIONS

PROPERTY NOT COVERED

We do not cover the following property except to the extent otherwise specifically provided for in this policy.

- A. Accounts, bills, deeds, evidence of debt, *money* or *securities*, notes, and gold, silver, or other precious metals. *Valuable papers and records*. But see Supplemental Coverage 16.
- B. Outdoor (exterior) signs. But see Supplemental Coverage 13.
- C. Creatures of any sort.
- D. 1. Earthworks and land, including costs of excavation, grading, and filling, and paved surfaces such as walks and driveways; water.
2. Pilings, piers, wharves and docks; and retaining walls not part of buildings.

3. Underground drains, flues, and pipes; and foundations below the ground surface or, if there is a basement, below the subsurface of the lowest basement.

- E. Property not described in this policy.

- F. Property otherwise insured under Coverage B that is more specifically described and insured by this policy or under any other insurance contract.

- G. Trees, shrubs, plants, lawns, and growing crops. But see Supplemental Coverage 15.

- H. Vehicles, as follows: aircraft, motorized land vehicles, and watercraft. This includes any of their accessories, equipment, motors, and parts, and their trailers. But see Supplemental Coverage 17.

PART I E • PROPERTY LIMITATIONS

PROPERTY LIMITATIONS • COVERAGE B

The following restrictions apply to loss to covered property.

- A. Breakage • Glass and other similar fragile glass type items are not covered for breakage.
- B. Furs • Furs and fur trimmed garments are covered, in aggregate, up to the applicable limit shown in the Supplemental Declarations.

- C. Jewelry • Jewelry; jewels; pearls; precious and semi-precious stones; watches and watch movements; and gold, silver, and other precious metals in bullion or other form are covered, in aggregate, up to the applicable limit shown in the Supplemental Declarations.

If loss is caused by a *specified cause of loss* these restrictions do not apply.

PART I F • LOSSES NOT INSURED

We do not insure loss consisting of, or directly or indirectly caused by, one or more of the following, except to the extent otherwise specifically provided for in this policy. Such loss is not insured whether or not an otherwise covered cause of loss contributes concurrently or otherwise to the loss.

1. **BUILDING LAW EXCLUSION**
The enforcement of any laws regulating construction, repair, demolition, or debris removal, other than safety glazing laws. But see Supplemental Coverage 2.
2. **COMPUTER HACKING AND COMPUTER VIRUS EXCLUSION**
Computer hacking or computer viruses.
3. **DISAPPEARANCE OR DISHONESTY EXCLUSION**
The unexplained or mysterious disappearance of property including *money* and *securities*, or shortages disclosed on taking inventory. Acts of appropriation, pilferage or shoplifting. Criminal, dishonest, or fraudulent acts by, or instigated by, *you* or *your* directors, employees, officers, trustees or volunteer workers or other *insureds*, or by anyone given possession of property, other than a bailee for hire.
4. **ELECTRICAL INJURY EXCLUSION**
Electrical injury caused by artificially generated electrical currents. But, if loss by fire, not otherwise excluded, ensues *we* insure such ensuing loss.
5. **EXPLOSION OF STEAM EQUIPMENT EXCLUSION**
The explosion of steam boilers, engines, pipes, or turbines *you* own or lease or which are operated under *your* control. But, if loss by fire or subsequent explosion, not otherwise excluded, ensues *we* insure such ensuing loss.
We also insure loss by the explosion of gas or fuel within the firebox, combustion chamber or flues of any such equipment.
6. **FLOOD / FLOODING EXCLUSION**
Flood, flooding, surface water, waves, storm surge, tidal water or tidal waves, overflow of streams or other bodies of water, or their spray, aggravated by or resulting from any natural or human made causes; all, whether or not caused by, or a consequence of, rain, snow, wind or other conditions of the weather, or other covered causes of loss.
- But, if loss by fire, explosion or theft, to the extent otherwise covered in this policy, ensues *we* insure such ensuing loss.
7. **INTENTIONAL LOSS EXCLUSION**
Acts committed by, or at the direction of, any *insured* with the intent to cause a loss.
8. **LEAKAGE FROM FROZEN EQUIPMENT EXCLUSION**
The leakage or overflow from, or damage to, plumbing, heating, air conditioning or other equipment or appliances which freeze while the building is vacant or unoccupied. But, *we* do insure such loss if *you* (and others *you* designate to care for the premises) exercise necessary and ongoing care to maintain adequate heat in the building, or such equipment and appliances are drained and the water supply shut off.
9. **LOSS OF USE OR DELAY EXCLUSION**
Because *you* cannot sell or use property, or resulting from delay.
10. **POWER, HEATING, OR COOLING FAILURE EXCLUSION**
Power, heating, or cooling failure, change in temperature or humidity, or loss of utility services. But see Supplemental Coverage 4. A.
11. **STAINED GLASS WINDOW EXCLUSION**
If MMR 507 is listed in the Declarations, *we* do not insure loss caused by breakage to stained glass windows covered under Coverage A.
12. **WATER DAMAGE EXCLUSIONS**
 - A. Underground, surface or subsurface water which exerts pressure on or flows, seeps or leaks through basements, driveways, floors, foundations, paved surfaces, sidewalks, swimming pools, walls, windows, doors, or other openings.

B. Water or sewage which backs up through sewers or drains or overflows from a sump.

But, if loss by fire, explosion, sprinkler leakage or theft, to the extent insured by this policy, ensues *we* insure such ensuing loss.

If MMR 502 is listed in the Declarations, then Exclusion 12. B is deleted.

If MMR 503 is listed in the Declarations, then Exclusion 12. B is amended in that *we* do cover damages caused by water or sewage which backs up through sewers or drains or overflows from a sump up to the applicable limit shown in the Supplemental Declarations.

If MMR 514 is listed in the Declarations, then Exclusion 12 is amended to cover damages caused by water damage up to the applicable limit shown in the Declarations Supplement. This coverage is subject to a \$1,000 deductible per occurrence, applicable to each location covered under Section I of this policy.

13. WEAR, TEAR AND OTHER SPECIFIED CAUSES OF LOSS EXCLUSIONS

A. Wear and tear • birds, domestic animals, insects, raccoons • rodents or vermin • contamination or *pollution* including, but not limited to: (1) the discharge, dispersal, emission, escape, migration, release, or seepage of *pollutants*; (2) the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to clean-up, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to *pollutants*, asbestos, *fungi*, mold or lead contamination or assess the effects of *pollutants*, asbestos, *fungi*, mold or lead contamination: but see Supplemental Coverage 14 for certain coverage • bacterium • corrosion • decay or deterioration • deficiency, error, or omission in design, materials, plans, or workmanship • disease • dry or wet rot • *fungi*, mold, spores, mildew, bacterium, or other natural growth • inherent vice (a customary characteristic of the property) • latent defect (an original condition or fault leading to loss) • mechanical breakdown • rust.

B. Buckling, bulging, contracting, cracking, expansion, settling, shrinkage, or sinking.

C. Contamination by any virus or other pathological agent that causes disease or illness in humans, animals, birds, or other creatures, or the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to cleanup, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to any virus or other pathological agent.

D. Continuous or repeated leakage or seepage from any part of an appliance or system which contains water or other liquids resulting from a condition which *you* fail to repair.

E. Earth / ground / land movement on or below the surface of the earth aggravated by or resulting from any natural or human made causes including, but not limited to: earth / ground / land collapsing (other than sinkhole collapse), pressure, rising, shifting, sinking, sliding, or subsidence; landslide; mine subsidence; mudflow; mudslide; rockslides or rockfalls.

See also Part I Common Exclusion 1 as to catastrophic earth movement.

F. Marring or scratching, but only with regard to personal property.

G. Smog, or smoke from agricultural or industrial activities.

If loss by a covered *specified cause of loss* ensues *we* insure such resulting loss.

14. WEATHER / RELATED EXCLUSIONS

A. Coverage B

(1) Loss to personal property caused by changes or extremes of temperature or by dampness or dryness of the atmosphere.

(2) Loss by hail, ice, rain, sleet, or snow to personal property within a building or structure unless:

- Insured for Expanded Coverage; or
- The exterior roof or walls first sustain loss by any covered cause of loss which then allows these elements to enter the building or structure.

(3) Loss by freezing, hail, rain, ice, sleet or snow: but these apply only to personal property while outdoors at the time of loss.

B. All Property

(1) Drought.

(2) Any other weather conditions: but this only applies if weather conditions contribute with a cause, condition, or event, otherwise excluded in this policy, to produce the loss.

If loss otherwise covered in this policy ensues, *we* insure such resulting loss.

AND *WE* DO NOT COVER LOSS TO THE FOLLOWING PROPERTY

15. HOT WATER / STEAM EQUIPMENT EXCLUSION

A. Hot Water Boilers — To hot water boilers or other equipment for heating water caused by any condition or occurrence within such boiler or equipment. But, *we* do insure loss by explosion.

B. Steam Equipment — To steam boilers, engines, pipes or turbines caused by any condition or occurrence within such boiler or equipment. But, *we* do insure loss caused by the explosion of gas or fuel within the firebox, combustion chamber, or flues of any such boiler or equipment.

16. UNAUTHORIZED / VOLUNTARY TRANSFER OF PROPERTY

A. Unauthorized Transfer — Loss in connection with property that is given or transferred to any persons or transferred to any place (not the described premises) on the basis of false / unauthorized instructions — however such are given or transmitted.

B. Voluntary Transfer — Loss in connection with property *that you* (or others to whom *you* have entrusted the property) voluntarily give or transfer to anyone on the basis of being induced to do so by false pretense or fraudulent device, scheme, or trick.

PART I G • SPECIAL PART I CONDITIONS

1. DUTIES WHEN LOSS / DANGER OF LOSS OCCURS

You, other *insureds*, and other coverage beneficiaries must do all of the following things:

A. Report the Loss — Give immediate written notice to *us* of any loss. Also, immediately notify the police in case of theft, vandalism, or other violation of law. As soon as possible, give *us* a description of how, when and where the loss occurred.

B. Protect Property — Protect property if in imminent danger from a covered cause of loss or, if loss has occurred, from further damage. For example, by taking exposed property indoors, by covering openings or windows, or by making temporary repairs. *We* cover the reasonable necessary expenses that *you* incur for such immediate temporary repairs or safeguards.

However, it is *your* ongoing obligation, at *your* expense, to — as soon as feasible after *you*, *your* employees, or those *you* authorize to act on *your* behalf become aware of any condition under *your* control which could lead to loss while this policy is in force — undertake all reasonable construction, maintenance, or repair necessary to protect property from such *covered* loss. Listing of all such conditions is not feasible, but examples include: if a roof is leaking, to repair such; if a flooring support is collapsing / deteriorating, to repair such; if new supports or retaining walls become required, to construct such.

Any additional or subsequent loss resulting from *your* neglect of these duties is not covered under this policy, and *you* must either rely on other insurance or absorb such loss *yourself*.

C. Cooperation on the Loss

As often as *we* may reasonably request / require:

(1) Immediately exhibit all that remains of the damaged and undamaged property, and allow *us* to take samples of such property for examination / inspection.

(2) Produce for examination and copying: the inventory described in the following Paragraph D. below; all relevant accounting procedures, affidavits, books of account, bills, contracts, deeds, documents, evidence, financial records, invoices, liens, leases, receipts, records, tax returns, vouchers, or other sources of information, or facsimiles acceptable to *us*.

(3) Submit to examination and provide statements under oath, and sign and swear to such. If more than one person is examined *we* reserve the right to make such examination of each person out of the presence of the others. *We* also reserve the right to video record any examinations.

(4) Otherwise cooperate with *us* in the investigation / settlement of the claim.

D. Inventory — At *our* request, prepare and sign an inventory of all damaged and undamaged property, showing in detail: age; description; quantity; *actual cash value* and, if so covered, replacement cost; source; amount of loss claimed. To the extent possible, set the damaged property aside and put such in best possible order for *our* examination.

E. Statement of Loss / Proof of Loss

Submit to *us* a statement about the loss that includes all information reasonably required by *us* (including, but not limited to, that described in the preceding Paragraphs C. (2) and D) to determine: coverage; *our* liability for the loss and the amount and scope of loss; specifications of any damaged buildings. The statement is also to include detailed repair estimates.

And if required: submit to *us* within 60 days after *our* request a signed, sworn proof of loss. This is to include the information described in the preceding paragraphs and any other information reasonably required by *us*, including all knowledge available to *you*, and others about:

(1) The time and cause of loss.

(2) *Your* interest and that of all others in the property involved, including a description of all encumbrances on such property.

(3) All other insurance policies which may apply to the loss.

(4) Any changes in occupancy, title, or use of the property during the policy term.

Failure to comply with these (or other Conditions) can alter or void *our* obligations under this policy.

2. HOW LOSSES ARE SETTLED A. Limits of Liability
Our liability for loss is limited to whichever amount is the smallest of the following:

- (1) The replacement cost or *actual cash value* of the property at the time of loss, whichever basis applies to the property covered under this policy. But not exceeding the lesser of: the reasonable cost required, with diligence, to repair or replace the property with equivalent property at the described premises intended for the same use / occupancy; or the amount spent for such repair or replacement — even if the *actual cash value* is greater.
- (2) The limits or amounts of insurance shown in this policy applicable to the loss.
- (3) *Your* insurable interest or that of any "mortgagee" named in this policy.

B. Deductible

We are liable for that amount of the loss in any one occurrence in excess of the deductible amount shown in the Declarations. The deductible does not apply to Coverage C.

C. Bases of Settlement

- (1) Replacement Coverage. Loss settlement under Coverages A and B is on a replacement basis (unless otherwise provided in this policy), except that the following property is covered on an *actual cash value* basis:

- a. Manuscripts, paintings, statuary and tapestries.
- b. Works of art, antiques, or rare articles, including — but not limited to — books, bronzes, bric-a-brac, etchings, marble, pictures, porcelains.

Replacement coverage applies only if replacement is made at the described premises: *We* may waive this requirement in writing if building laws prohibit replacement at the described premises (then see Supplemental Coverage 2), or for other reasons acceptable to *us*.

We are not liable for payment on a replacement basis until the repair or replacement is completed, unless the total cost for full repair or replacement is less than the replacement threshold limit shown in the Declarations Supplement. *You* may submit a claim on an *actual cash value* basis and then, no later than 180 days following settlement on an *actual cash value* basis (or *our* offer of such if *you* decline settlement) make further claim in writing on repair or replacement which *you* have completed at the time *you* make such claim.

If MMR 504 is listed in the Declarations, loss settlement is on an *actual cash value* basis.

(2) *Actual Cash Value*

If the *actual cash value* settlement is applicable, then loss is settled on the basis of the *actual cash value* of the property at the time of loss.

(3) *Money or Securities*

Our liability for loss to *money* or *securities*, to the extent covered in this policy, does not exceed whichever amount is the smaller of the following:

- a. The *actual cash value* of the property at the time of loss.
- b. The cost to replace the property with equivalent property. The cost of replacing *securities* may be determined by *us* by market value at the time of settlement.

If more than one location is covered, the "Off Premises" limits are not cumulative, and any specific location limit applies only to loss from the described location.

(4) Tenant's Improvements and Betterments

We will pay *your* use interest in such property based upon consideration of: (a) the unexpired term of the lease at the time of loss and, (b) the age of such property at the time the lease expires related to *your* expenses to acquire such property. However, if *you* repair or replace the property at *your* expense *we* will pay for the loss on a replacement cost or *actual cash value* basis, whichever coverage option is applicable in this policy.

D. Abandonment of Property

There can be no abandonment to *us* of any property.

E. Appraisal

- (1) If *you* and *we* fail to agree on the amount of the loss or values, either one can require that the amount of loss or values be set by appraisal. Within 30 days of receipt of a written demand for appraisal, each is to select a competent and disinterested appraiser. Each is to then notify the other of the selected appraiser.
- (2) The two appraisers are to select a competent and disinterested umpire. If the appraisers are unable to agree upon an umpire within fifteen days, *you* or *we* may petition a judge of a Court of Record to select an umpire.
- (3) The appraisers are to set the amount of the loss or value. If the appraisers fail to agree within a reasonable time, they are to submit their differences to the umpire. Written agreement signed by any two of these three persons sets the amount of loss or value.
- (4) Each appraiser is paid by the party selecting that appraiser. Other expenses of the appraisal and compensation of the umpire are to be paid equally by *you* and *us*.
- (5) If *we* agree to appraisal, *we* specifically retain *our* right to deny the claim.

F. Loss to a Portion of a Pair or Set of Articles — Coverage B

- (1) Loss to some portion of a pair or set of articles or to property consisting of two or more parts (when complete) is not considered a total loss unless: because of the loss, the remainder is of no use and repair or replacement is not feasible.
- (2) In case *we* agree to pay for total loss, *you* are required to give *us* the remainder of such property, at *our* request, prior to such payment.

G. *Our Liability and Satisfaction of Your Loss*

If the maximum liability payable by *us* on *covered loss*, as determined under this policy, does not fully satisfy *your* loss, then *you* must either seek insurance that may be provided by others for the difference or otherwise absorb the unsatisfied portion of the loss yourself.

However, loss does not reduce the amount of insurance unless an aggregate limit applies.

H. *Our Options in Settling Losses — Coverages A and B*

- (1) *We* may pay for the loss in money.
- (2) *We* may repair or replace all or any part of the property as provided for in this policy, or take all or any part of such property at a mutually agreed, or appraised, value. *We* may give notice of *our* intent to do so at any time up to 30 days after *our* acceptance of *our* liability for the loss (i.e., proof of loss).
- (3) *We* may settle the claim with *you*, any loss payee named in this policy, or others legally entitled to receive payment. If the claim applies to property of others, *we* have the right to adjust the loss with the owners of the property: satisfaction of their claim is also satisfaction of *your* claim as to such property.

If legal action is taken in a claim against *you*, *we* have the right to conduct and control a defense at *our* expense (but without increasing *our* liability under this policy).

I. *Recovery of Covered Property*

In the event *we* make a payment for loss and a subsequent recovery is made of any of the property, *you* may choose to keep the property *you* have recovered or receive the property that *we* have recovered. If *you* choose this option, *our* liability is reduced accordingly: payment is adjusted for the amount which *you* received for the loss to such property, and *you* must compensate *us* for the amount *we* previously paid.

If *you* do not choose this option, the recovered property becomes *our* property: if *you* have such property, *you* are required to give *us* those items *we* request.

J. *When Loss Becomes Payable / Payment to Others*

Loss becomes payable 30 days after completion and acceptance by *us* of a written agreement between the parties, or after an award is filed with *us* as provided in this policy. *Our* payment does not reduce the amount of insurance provided in this policy.

With respect to any mortgagee or secured party named under this policy; governmental entity; or others with contractual, legal, or statutory rights in loss payable under this policy: *we* may make payment jointly to all interested parties at *our* option. But *we* need not pay any loss assignee, unless they receive a full assignment of the loss from *you*.

If an insurance trustee is named in this policy, *we* may negotiate the loss and make payment solely to such trustee — to the extent the trustee represents those with an interest under this policy.

3. OTHER SPECIAL CONDITIONS

A. *Mortgagee Clause*

Mortgagees named in this policy are covered for loss to the extent of their interest and in order of precedence of the mortgages. This condition applies to all mortgagees, trustees or secured parties named in this policy who comply with the following conditions of this policy.

Provided that the mortgagee will:

- (1) Without delay, notify *us* of any change in ownership or occupancy, foreclosure proceeding or increased hazard known to the mortgagee.
- (2) Pay, on *our* demand, any required premium, if *you* fail to do so.
- (3) Furnish proof of loss within 60 days after *our* request, if *you* fail to do so.
- (4) Give *us* the mortgagee's rights of recovery against anyone liable for the loss. This is not to impair the right of the mortgagee to recover the full amount of the mortgagee's claim.
- (5) Permit *us*, after a loss, to satisfy the mortgage requirements and receive a full assignment of the mortgage and all collateral securities to the debt.

We agree to provide this insurance to protect the mortgagee's interest in covered property in case *we* deny *your* claim.

Cancellation may be made by *us* in accordance with the cancellation provisions described in the Common Conditions.

B. *No Benefit to Bailee*

This insurance does not inure to the benefit of any carrier or others having custody of *your* property for a fee or other payment.

C. *Vacancy, Unoccupancy, and Other Increase in Hazard*

- (1) This insurance is suspended on a covered building while vacant beyond a period of 60 consecutive days, (180 consecutive days if the covered building is a parsonage, sexton house or staff dwelling).

"Vacant" or "Vacancy" means not containing the contents customary to occupancy of the building. A building in the course of lawful construction or renovation is not considered vacant.

- (2) This insurance is suspended on a covered building while unoccupied beyond a period 60 consecutive days, (180 consecutive days if the covered building is a parsonage, sexton house or staff dwelling). This does not apply to unoccupancy during that part of the year when it is *your* custom to close because of seasonal use.
- (3) *We* are not liable for loss occurring while the hazards *we* undertook to insure at the subject premises are increased by means which are within *your* control (or of those *you* designate to have control of the premises in *your* absence). Lawful building alteration, construction, maintenance, or repair, unless changing the use of the premises, is not an increase in hazard.

Increase in hazard includes changes affecting any of the following: use of the premises; the rates for this insurance; the acceptability of hazard / risk to *us*, including breach of conditions which were the basis of *our* acceptance of such; the underwriting conditions and changes in physical conditions required by *us* for such hazard / risk; ongoing continuous effectiveness and use of any protective safeguards required by *us* or for which *we* have given premium consideration; circumstances which would affect the scope of coverage, covered causes of loss, or amounts of insurance otherwise acceptable to *us* for such hazard / risk.

PART II A • MAIN LIABILITY COVERAGES

APPLICATION OF THIS INSURANCE (PART II)

This insurance applies to liability arising out of *your* premises and operations, designated in the Declarations or elsewhere in this policy, to the extent covered under this policy, or those newly acquired or formed by *you* during the current policy period as provided in the definition of *insureds*.

All provisions applicable to *your* operations and *your* premises designated in this policy apply to additions, changes, and new entities, unless otherwise modified.

We have no obligation to provide any insurance or service, or pay any expense or any sum, other than those specifically described as applicable and insured under this policy.

Damages because of *bodily injury* insured in this policy include claims by others for care, death (at any time), or loss of services resulting from such *bodily injury*.

COVERAGE E • LIABILITY TO OTHERS

- A. *We* pay for the benefit of *insureds*, up to the applicable limit(s) of liability (See Part II D) shown in the Declarations, those sums that *insureds* become legally liable to pay as damages because of *bodily injury* or *property damage* insured under this policy. Such *bodily injury* or *property damage* must:
1. Be caused by an *occurrence* that takes place within the applicable coverage territory: See Common Condition 6;
 2. Occur during the policy term; and
 3. Prior to the policy term, no *insured* or no *employee* authorized by *you* to give or receive notice of a claim or *occurrence*, knew that the *bodily injury* or *property damage* had occurred in whole or in part. If any *insured* or authorized *employee* knew, prior to the policy term, that the *bodily injury* or *property damage* occurred, then any change in, continuation of, or resumption of such *bodily injury* or *property damage* during or after the policy term will be deemed to have been known prior to the policy term.

- B. *Bodily injury* or *property damage* which occurs during the policy term, provided no *insured* or *employee* authorized by *you* to give or receive notice of a claim or *occurrence* knew, prior to the policy term, that such *bodily injury* or *property damage* had occurred, includes any change in, continuation of, or resumption of that *bodily injury* or *property damage* after the end of the policy term.

- C. *Bodily injury* or *property damage* will be deemed to have been known to have occurred at the earliest time when any *insured* or any *employee* authorized by *you* to give or receive notice of a claim or *occurrence*:

1. Reports all, or any part, of the *bodily injury* or *property damage* to *us* or any other insurer;
2. Receives a written or verbal demand, claim or suit for damages because of the *bodily injury* or *property damage*; or
3. Becomes aware of anything that indicates that *bodily injury* or *property damage* has occurred or is occurring.

- D. *We* have no obligation to pay any damages not covered in this policy or in excess of *our* limits of liability (See Part II D) for any covered damages.

COVERAGE F • MEDICAL PAYMENTS TO OTHERS

- A. *We* pay, up to the applicable limit of liability (See Part II D) shown in the Declarations, the reasonable necessary medical expenses, incurred by others, arising out of an accident which are both incurred and reported to *us* by *you* or the coverage beneficiary within three years from the

date of such accident. The accident must: take place within the applicable coverage territory and policy term (See Common Conditions), and occur:

1. *On your premises.*
2. Away from *your premises*, but, if so, then only if the accident either:
 - a. Arises out of a condition at *your premises*; or
 - b. Arises out of the operations insured in this policy.

Fault or legal liability is not a condition for such payment (and *our* payment is not an admission of liability by any *insured*); however, *we* pay medical expenses only for *bodily injury* not otherwise excluded or uninsured under this policy.

- B. Medical expenses means expenses for: ambulance, dental, funeral, hospital, medical, professional nursing, surgical or x-ray services; prosthetic devices; drugs and surgical supplies.

PART II B • SUPPLEMENTAL COVERAGES

The following coverages do not extend or modify any provisions of this policy, including *our* Limits of Liability or any applicable Exclusions, except to the extent specifically described.

1. DEFENSE COVERAGE

A. With counsel of *our* choice, *we* defend suits (civil proceedings) against *insureds* seeking damages for *bodily injury*, *property damage*, and *personal / advertising injury* covered by this insurance. *We* have no duty to investigate any claim, defend or provide for a defense for any *insured*:

- (1) In connection with either suits seeking damages not covered by this policy or allegations within a suit which are not covered by this policy; or
- (2) When the applicable limit of liability is used up in payment of judgments or settlements.

B. *We* may investigate and settle any claim or suit as *we* deem such to be reasonable.

C. *We* assume at *our* expense the following costs and expenses in a suit defended by *us*:

- (1) All costs incurred by *us*.
- (2) The interest which accrues after entry of a judgment, but only until that time when *we* pay, offer to pay, or deposit in court that part of the judgment within *our* limit of liability.
- (3) The prejudgment interest awarded against any *insured* on that part of the judgment *we* pay. But, if *we* offer to pay *our* applicable limit of liability under this policy, *we* will not pay any prejudgment interest which is based on the period of time that follows *our* offer.
- (4) Costs taxed against the *insured*.
- (5) Costs of appeal bonds or bonds to release attachments, for that amount of the bond within *our* applicable limit of liability. *We* need not furnish or secure such bonds.
- (6) The reasonable expenses incurred by the *insured* at *our* request, as well as earnings (up to \$500 per day) lost because of absence from work at *our* request.

Suit includes alternative dispute resolution proceedings to which an *insured* either must submit or may choose to submit (but only if done with *our* prior written consent).

2. CONTRACTUAL COVERAGE

A. Coverage E is extended to include *your* liability to pay damages to others (third parties) because of *bodily injury* or *property damage* — to the extent otherwise insured under this policy — arising out of *your* expressed assumption of the liability of another (*your* indemnitee) under the following oral or written contracts:

Item 1.

- (1) Agreement to indemnify a municipality as required by law or ordinance. This does not include agreements made in connection with work for a municipality; but the assumption of tort liability of another for such work is included under Item 2.
- (2) Easements. This does not include easements involving work on, or within 50 feet of, a railroad, nor is the assumption of tort liability for such included under Item 2.
- (3) Lease of premises (but not as to fire or explosion damage) or elevator maintenance agreement.
- (4) Sidetrack agreement.

Item 2.

That part of other contracts (not as described in Item 1) in which *you* have expressly assumed the tort liability (liability imposed by law in the absence of contract) of another, providing the *bodily injury* or *property damage* is caused, in whole or in part, by *you* or by those acting on *your* behalf, but only to the extent that *you* or those acting on *your* behalf contributed to the *bodily injury* or *property damage*.

- B. Exclusion 2, in Part II C, does not apply to covered contracts under Item 2 with respect to maintenance, ownership, or use of aircraft or watercraft.
- C. This Supplemental Coverage applies only to contracts made in connection with *your* operations or *your premises* covered by this policy and, then, solely to *bodily injury* or *property damage* which occurs subsequent to execution of the covered contract.

3. FIRST AID EXPENSE COVERAGE

We pay necessary reasonable medical expenses incurred for first aid to others at the time of an accident, other than in connection with *bodily injury* otherwise excluded in this policy.

4. INCIDENTAL ALCOHOLIC BEVERAGE COVERAGE

Coverage E is extended to include *bodily injury* and *property damage* arising out of the furnishing, giving, serving or use of alcoholic beverages, as follows:

- A. When *you* furnish, give, or serve alcoholic beverages without charge and a license is not required for such activity.
- B. If MMR 505 is listed in the Declarations, then *we* also provide coverage when *you* furnish, give, or serve alcoholic beverages for which a charge may be made if such activities are an incidental and minor part of *your* operations (and such do not pertain to the distribution, manufacture, or sale of alcoholic beverages).

5. INCIDENTAL AUTOMOBILE COVERAGE

Coverage E is extended to include *bodily injury* and *property damage* arising out of the following:

- A. The parking of *automobiles* (not borrowed or owned by, or rented to, any *insured*) at *your premises*.
- B. The operation of the following devices permanently attached to an *automobile*:
 - (1) Air compressors, generators, or pumps; building cleaning, geophysical exploration, lighting, spraying, welding, or well servicing equipment.
 - (2) Cherry pickers and similar devices used to raise / lower workers.
- C. The operation of any device permanently attached to a vehicle that would qualify as *mobile equipment*, under the definition of *mobile equipment*, if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

If MMR 501 is listed in the Declarations, this extension also applies to the *loading* and *unloading*, maintenance, ownership or use of *automobiles* at *your premises* which are: donated to *you*; and held by *you* pending sale. This extension does not apply when primary *automobile* liability insurance is provided in another policy by *you*.

6. INCIDENTAL FIRE AND EXPLOSION LEGAL LIABILITY COVERAGE

Coverage E is extended to include, up to the applicable limit of liability (See Part II D) shown in the Declarations or Supplemental Declarations for Fire and Explosion Legal Liability Coverage, *property damage*, as follows:

- A. Arising out of fire or explosion at a nonowned premises rented to, or occupied by, *you*.
- B. If MMR 506 is listed in the Declarations, then this extension also applies to *property damage* arising out of any other fortuitous direct physical loss at a nonowned premises rented to, or occupied by *you*.

7. INCIDENTAL MEDICAL / PROFESSIONAL LIABILITY COVERAGE

Coverage E is extended to include *bodily injury* arising out of *your* providing for the benefit of others, without charge, any incidental medical or nursing services or drugs or related supplies. This does not apply to any *insured*, or any *insured's* indemnitee, whose business / profession involves the rendering of such services or drugs or supplies.

8. INCIDENTAL MOBILE EQUIPMENT COVERAGE

- A. Coverage E is extended to include *bodily injury* and *property damage* arising out of *loading* or *unloading*, maintenance, ownership, or use of *mobile equipment*.
- B. Glossary
 - (1) *Mobile equipment* means solely land vehicles (including any equipment or machinery permanently attached to, or forming an integral part of, the vehicle) as follows:
 - a. Vehicles used solely at *your premises*.
 - b. Vehicles designed for primary use off public roads such as bulldozers, farm machinery, forklifts, and similar commercial types.
 - c. Vehicles used primarily to provide mobility to the following:
 - 1. Concrete mixers (other than mix-in-transit type).*
 - 2. Diggers, drills, loaders, power cranes, or shovels.
 - 3. Road construction and resurfacing equipment, such as graders, rollers, or scrapers.*
 - d. Vehicles that are not self-propelled used primarily to provide mobility to:
 - 1. Air compressors, generators, or pumps; building cleaning, geophysical exploration, lighting; spraying, welding, or well servicing equipment.
 - 2. Cherry pickers and similar devices used to lower / raise workers.*

- e. Vehicles that travel on crawler treads.
- f. Vehicles not otherwise used as described in the preceding Paragraphs 1.a. through 1.e. that are maintained by *you* primarily for uses other than the transportation of cargo or persons; but this Supplemental Coverage does not extend to self-propelled vehicles as described in the following paragraphs or equipped with any of the following permanently attached devices:
 - 1. Designed primarily for road maintenance (other than road construction or resurfacing), snow removal, or street cleaning.
 - 2. Equipped with air compressors, generators, or pumps; building cleaning, geophysical exploration, lighting, spraying, welding, or well servicing equipment.
 - 3. Equipped with cherry pickers and similar devices mounted on *automobile* or truck chassis and used to raise / lower workers.

All such vehicles are *automobiles* for purposes of this insurance. But see Supplemental Coverage 5 for coverage of the operation of the described devices.

- (2) However, *mobile equipment* does not include any land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered *automobiles*.

* But only if permanently attached to, or forming an integral part of, the vehicle.

9. INCIDENTAL WATERCRAFT COVERAGE

Coverage E is extended to include *bodily injury* and *property damage* arising out of any of the following:

- A. Watercraft while ashore at *your premises* (other than premises *you* have abandoned, sold, or transferred to others).
- B. Watercraft not owned by, or loaned or rented to, any *insured*, if the *occurrence* arises out of *your* direct act. Direct act does not include or mean supervision of others or entrustment to others of watercraft.
- C. Watercraft not owned by *you*, if less than 26 feet in length and not used to carry persons or property for a charge.

10. PERSONAL INJURY / ADVERTISING INJURY COVERAGES

A. Liability to Others

We pay for the benefit of *insureds*, up to the limit of

liability shown in the Declarations or Supplemental Declarations, those sums that *insureds* become legally liable to pay as damages because of: 1. *Advertising Injury*; or 2. *Personal Injury*, as described and covered in this policy, arising out of a covered offense.

A covered offense must take place within the policy term and within the applicable coverage territory; See Common Condition 6.

This Supplemental Coverage applies only to the following:

- (1) *Advertising injury* arising out of an offense committed in the course of advertising goods, products, or services of *your* operations covered by this policy.
- (2) *Personal injury* arising out of an offense committed in the conduct of *your* operations covered under this policy, but not advertising, broadcasting, publishing, or telecasting done either by *you* or on *your* behalf.

B. Liability Not Insured (Additional Exclusions)

We do not provide insurance for any sort of damages or liability directly or indirectly, wholly or partially, aggravated by, caused by, or resulting from any of the following:

Personal Injury/Advertising Injury Exclusions. We do not insure any of the following:

- (1) Injury arising out of oral or written publication of material, done by or at the direction of any *insured* with knowledge that such is false or such would violate the rights of another and would inflict the injury.
- (2) Injury arising out of oral or written publication of material whose first publication took place prior to the beginning of this policy or such coverage under this policy.
- (3) Injury arising out of rendering / failure to render professional advice or service.
- (4) Injury for which the *insured* has assumed liability in an implied, oral, or written agreement or contract. This does not apply to liability for damages, otherwise insured under this policy, that the *insured* has in the absence of contract.
- (5) Injury to *you*.
- (6) Injury arising out of an electronic bulletin board or chatroom hosted or owned by the *insured* or over which the *insured* exercises control.
- (7) Injury arising out of the unauthorized use of another's name or product in *your* e-mail address, domain name or metatags, or any other similar methods to mislead another's current or potential customers.

Advertising Injury — Additional Exclusions. *We* do not insure any of the following:

- (8) Injury arising out of breach of contract, other than misappropriation of advertising ideas under an implied contract.
- (9) Injury arising out of the failure of goods, products, or services to conform with advertised quality or performance.
- (10) Injury arising out of the wrong description of the price of goods, products, or services.
- (11) Injury arising out of an offense committed by an *insured* whose business is:
 - a. Advertising, broadcasting, publishing, or telecasting;
 - b. Designing or determining the content of websites for others; or
 - c. Providing internet access, content, search or service.

C. Glossary

Advertising injury means solely the following:

- (1) Infringement of copyright, slogan, title or trade dress.
- (2) Misappropriation of advertising ideas or style of doing business.
- (3) Oral or written publication of material that: slanders or libels a person or organization; disparages a

person's or organization's goods, products, or services.

- (4) Oral or written publication of material that violates a person's right of privacy.

Personal injury means solely the following:

- (1) False arrest, detention, or imprisonment.
- (2) Malicious prosecution.
- (3) Oral or written publication of material that: slanders or libels a person or organization; disparages a person's or organization's goods, products, or services.
- (4) Oral or written publication of material that violates a person's right of privacy.
- (5) Wrongful entry into, eviction of a person from, or invasion of the right of private occupancy of, a dwelling, room, or other private premises that the person occupies: but only if done by, or on behalf of, the landlord, lessor, or owner of such premises.

Personal Injury/Advertising Injury do not include *bodily injury* or *property damage*.

Accordingly, Part II C — other than Exclusions 5, 7, 9, and 12 — does not apply: however, *Personal Injury/Advertising Injury* do not include or extend coverage under this policy in any way to any costs, damages, liability, or loss expressly excluded under Coverage E.

PART II C • LIABILITY NOT INSURED

We do not provide insurance for any sort of costs, damages, expenses, or liability, directly or indirectly, wholly or partially, aggravated by, caused by, or resulting from any of the following, even if an *occurrence* otherwise covered contributes to such concurrently or in any sequence — except to the extent otherwise specifically described and provided for in this policy.

1. ALCOHOLIC BEVERAGE EXCLUSION

We do not insure *bodily injury* or *property damage*, arising out of: contributing to any person's intoxication; furnishing alcoholic beverages to persons under the legal drinking age or under the influence of alcohol; violating any law, ordinance, or regulation relating to the distribution, gift, sale, or use of alcoholic beverages. But see Supplemental Coverage 4.

2. AUTOMOBILES / AIRCRAFT / WATERCRAFT EXCLUSIONS

We do not insure *bodily injury* or *property damage* arising out of the *loading or unloading*, *loaning*, *maintenance*, *operation*, *renting*, *use*, or *entrustment* to others (whether supervised or not) of any *automobile*, *aircraft*, or *watercraft* operated or owned by, or loaned or rented to, any *insured*. This also applies to such *bodily injury* or *property damage*

arising out of: any device, equipment, machinery, parts, trailers or semi-trailers attached to any *automobile*, *aircraft*, or *watercraft*. But see Supplemental Coverages 2, B, 5 and 9.

3. BUSINESS ACTIVITIES / BUSINESS RISK EXCLUSIONS

A. *We* do not insure any *property damage* to *your products* or *your work* caused, to any extent, by *your products* or *your work* or any part of such.

This Exclusion does not apply to *your work* if:

- (1) The work has not, at the time of damage, been abandoned or completed; or
- (2) The damaged work, or work out of which the damage arises, was performed on *your* behalf by a subcontractor.

- B. With respect to *impaired property* or property that has not been physically damaged, we do not insure *property damage* arising out of any of the following:
- (1) An inadequacy, defect, deficiency, or dangerous condition in *your products* or *your work*.
 - (2) A delay or failure by *you* or others acting on *your* behalf to perform an agreement or contract in accordance with its terms.

This Exclusion does not apply to loss of use of other property arising out of abrupt (sudden in time — not gradual or ongoing) accidental physical damage to *your products* or *your work* after such is put to its intended use.

- C. We do not insure any costs, expenses, liability or loss, incurred by *you* or others, arising out of recall by *you* or any other person or organization, of *your products*, *your work*, or *impaired property* when such must be taken from the market or from others because it is known to be, or is thought to be, dangerous, defective, deficient, or inadequate.

Recall includes adjustment, disposal, inspection, loss of use, recall, removal, repair, replacement, or withdrawal of *your products*, *your work*, or *impaired property*.

- D. We do not insure *property damage* to any of the following:
- (1) That part of real property on which work is being performed by either *you*, or any contractor or subcontractor working (directly or indirectly) on *your* behalf, if the *property damage* arises out of such work.
 - (2) That part of any property that must be repaired, replaced, or restored because *your work* was faulty or incorrectly performed on it: this does not apply to *property damage* included in the *products / completed operations hazard*.

This Exclusion does not apply to liability assumed under a written sidetrack agreement.

- E. We do not insure *bodily injury* arising out of body massaging, chiropody, cosmetic, ear piercing, reducing or slenderizing services or preparations or the use of sun or tanning lamps or other irradiating devices.
- F. We do not insure *bodily injury* arising out of the piercing of any skin or body part; skin dyeing or tattooing; or the application of, or injection into or under the skin, of any permanent cosmetic or make-up.
- G. Glossary
Impaired property means tangible property (other than *your products* or *your work*) that cannot be used, or is less useful, because one or both of the following apply:

- (1) It incorporates *your products* or *your work* that is known to be, or is thought to be, dangerous, defective, deficient, or inadequate — and it can be restored by adjustment, removal, repair, or replacement of *your products* or *your work*.
- (2) *You* have failed to fulfill the terms of an agreement or contract and it can be restored by *your* fulfilling the terms of the agreement or contract.

4. CONTRACTUAL LIABILITY EXCLUSION

We do not insure *bodily injury* or *property damage* for which the *insured* is liable to pay damages because of the assumption of liability for such in an implied, oral, or written agreement or contract. But see Supplemental Coverage 2.

To the extent that Supplemental Coverage 2 otherwise applies, we do not insure under such coverage: any liability to indemnify another for fire or explosion damage to a premises loaned or rented to *you*; any *bodily injury* or *property damage* which first occurs prior to execution of the agreement or contract.

This Exclusion does not apply to liability for damages, otherwise insured under this policy, that the *insured* has in the absence of contract.

5. EMPLOYEE, EMPLOYMENT, AND RELATED INJURY EXCLUSIONS

- A. We do not insure any obligations of any *insureds* under a disability benefit, unemployment compensation, workers' compensation, or similar law.
- B. We do not insure *bodily injury* to any of *your employees* arising out of and in the course of employment by *you*.
- C. We do not insure *bodily injury* or *personal injury* arising out of the following:
- (1) Coercion, defamation, demotion, discipline, discrimination, evaluation, harassment, humiliation, reassignment, or other employment-related acts, omissions, policies, or practices.
 - (2) Refusal to employ.
 - (3) Termination of employment.
- D. We do not insure *bodily injury* or *personal injury*:
- (1) Sustained by the brother, child, parent, sister, or spouse of your employee arising out of any injury described in the preceding Paragraphs 5. B and C.
 - (2) With respect to any *employee* (including any officer) as an insured in this policy, in connection with *bodily injury* or *personal injury* to *you* or a fellow *employee*, caused by the *employee* while in the course of employment by *you*.

- E. *We* do not insure any obligation to share damages with, or repay, others who must pay damages because of any *bodily injury* described in the preceding Paragraphs 5. B, C, and D.

Exclusions 5.B through E apply whether the claim or suit is brought by *your employees* or by any others or whether *you* are liable as an employer or in any other capacity. However, Exclusion B does not apply to liability assumed under a contract covered under Supplemental Coverage 2.

6. ENDANGERMENT OR HARM EXCLUSION

We do not insure *bodily injury* or *property damage*, whether or not expected or intended by any *insured*, which is a consequence of an *insured's* willfully harmful act or knowing endangerment.

This exclusion does not apply to *bodily injury* or *property damage* resulting from the use of reasonable force to protect persons or property.

7. FUNGI / MOLD EXCLUSION

- A. *We* do not insure *bodily injury*, *property damage*, *advertising injury*, or *personal injury* resulting from or caused by the actual, alleged, or threatened absorption of, contact with, existence of, exposure to, inhalation of, ingestion of, or presence of any *fungi*.

- B. *We* do not insure any cost, expense, liability or loss arising out of any of the following:

- (1) Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to *fungi*.
- (2) Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to *fungi*.

However, these exclusions do not apply to *bodily injury* resulting from the ingestion of foods, goods or products intended for internal human consumption.

8. MOBILE EQUIPMENT EXCLUSION

We do not insure *bodily injury* or *property damage* arising out of any of the following:

- A. *Mobile equipment* not specifically covered under Supplemental Coverage 8; transportation of *mobile equipment* by an *automobile* borrowed, operated, owned by, or rented to, any *insured* — even if such *mobile equipment* is otherwise covered in this policy.
- B. *Mobile equipment* while being used in a prearranged demolition, racing, or speed contest or stunting activity, including preparation or practice for such — even if such *mobile equipment* is otherwise covered in this policy.

Mobile equipment means those vehicles described as such in Supplemental Coverage 8.

9. POLLUTION / ENVIRONMENTAL DAMAGE EXCLUSION

- A. *We* do not insure *bodily injury*, *property damage*, *advertising injury* or *personal injury* arising out of the actual, alleged, or threatened discharge, dispersal, emission, escape, flowing, leakage, migration, release, or seepage of *pollutants* or other similar forms of environmental damage, regardless of where or how such may take place.

Paragraph A of this Exclusion does not apply to *bodily injury*, *property damage*, *advertising injury* or *personal injury* caused by:

The fumes, heat, smoke, or soot that are products of combustion arising out of a fire at *your premises*, other than such that are the products of *burning pollutants*.

However, if the fire is a controlled act, the following additional conditions apply:

- (1) All materials burned (and the burning process) must give rise solely to ordinary combustion particulate and products, such as those usual to a building (materials) fire;
- (2) The fire must not involve any industrial, manufacturing, or processing activities; and
- (3) The premises, site or location is not or was not at any time used by or for any *insured* or others for the disposal, handling, processing, storage, or treatment of waste. Waste includes materials to be reclaimed, reconditioned or recycled.

- B. *We* do not insure under this policy any cost, expense, liability, or loss arising out of any of the following:

- (1) Any demand, directive, order, or request that any *insured* or others cleanup, contain, detoxify, monitor, neutralize, remove, test for, treat, or in any way assess the effects of or respond to *pollutants*; or
- (2) Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to *pollutants*.

10. PREMISES / OTHER PROPERTY ADDITIONAL EXCLUSIONS

We do not insure *property damage* as follows:

- A. Personal property in the care, control, or custody of any *insured* or any property borrowed by *you*: this does not apply to liability assumed under a written sidetrack agreement.

- B. Premises *you* have abandoned, sold, or transferred to others, if the damage arises out of any part of such premises.

This does not apply to premises that are *your work* and have been neither occupied by *you* nor rented or held for rental by *you* to others.

- C. Property occupied or owned by, or rented to, *you*; but see Supplemental Coverage 6.
- D. With respect to an *employee*, to property borrowed, occupied, owned, or rented by: such *employee*, any of *your* other *employees*, or any of *your* members or partners (if *you* are a joint venture, limited liability company or partnership).

11. PROFESSIONAL ACTIVITIES EXCLUSION

We do not insure *bodily injury* or *property damage* arising out of the rendering or failure to render any sort of pastoral counseling or other professional advice, product, or service whether such are those of any *insured* or *insured's* indemnitee or any *employees* of an *insured* or employee of an *insured's* indemnitee.

But see Supplemental Coverage 7 for certain coverage.

12. SILICA EXCLUSION

- A. *We* do not insure *bodily injury*, *property damage*, *advertising injury*, or *personal injury*, resulting from or caused by the actual, alleged, or threatened absorption of, contact with, existence of, exposure to, inhalation of, ingestion of, or presence of silica in any form, including silica particles or dust, or any products or substances containing silica.

- B. *We* do not insure any cost, expense, liability or loss arising out of any of the following:
- (1) Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to silica in any form, including silica particles or dust, or any products or substances containing silica.

- (2) Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to silica in any form, including silica particles or dust, or any products or substances containing silica.

13. VIRUS CONTAMINATION EXCLUSION

- A. *We* do not cover *bodily injury*, *property damage*, *advertising injury*, *personal injury* or medical payments resulting from or caused by the actual, alleged, or threatened exposure to contamination at *your premises* by any virus or other pathological agent that causes disease or illness in humans, animals, birds or other

- B. *We* do not insure any cost, expense, liability or loss arising out of any of the following:

- (1) Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to any virus or other pathological agents.

- (2) Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to any virus or other pathological agents.

However, these exclusions do not apply to *bodily injury* resulting from the ingestion of foods, goods or products intended for internal human consumption.

THE FOLLOWING ADDITIONAL EXCLUSIONS APPLY ONLY TO COVERAGE F.

14. PRODUCTS / COMPLETED OPERATIONS HAZARD EXCLUSION

We do not insure medical expenses in connection with *bodily injury* included in the *products / completed operations hazard*.

15. SPECIFIED PERSONS EXCLUSIONS

We do not insure medical expenses in connection with *bodily injury* to any of the following persons:

- A. Any *insured*, other than a volunteer worker, director, trustee or a member of a board of governors when they are performing for the *named insured*.

- B. Any person to whom benefits are payable, or must be provided, under a disability benefit, workers' compensation, or similar law, for injury sustained by such person.

- C. Any person hired to do work for, or on behalf of, any *insured* or a tenant of any *insured*.

- D. Tenants or other persons on *your premises* if the injury occurs on that part of *your premises* such person normally occupies.

16. SPORTS ACTIVITIES EXCLUSION

We do not insure medical expenses in connection with *bodily injury* to any person taking part in athletic activities.

If MMR 511 is listed in the Declarations: This exclusion does not apply. The Other Insurance Common Condition is extended as follows:

The coverage provided by this endorsement is excess over any other medical expense insurance available for the *bodily injury*. The injured person must first collect all other available insurance before making a claim under this policy.

17. YOUR MEDICAL SERVICES / GENERAL MEDICAL EXCLUSIONS

- A. We do not insure medical expenses in connection with medical services that are provided by *you*, *your employees*, or others under contract to *you* to provide medical services, including first aid (Supplemental Coverage 3) to others at the time of an accident.
- B. We do not insure medical expenses in connection with any *bodily injury* otherwise excluded under this policy.

18. DAY CARE / NURSERY SCHOOL EXCLUSION

We do not insure medical expenses in connection with *bodily injury* to any person enrolled in a day care center or nursery school.

If MMR 512 is listed in the Declarations:

- This exclusion does not apply to any person enrolled in a day care center or nursery school run by *you*.
- The Other Insurance Common Condition is extended as follows:

The coverage provided by this endorsement is excess over any other medical expense insurance available for the *bodily injury*. The injured person must first collect all other available insurance before making a claim under this policy.

PART II D • SPECIAL LIABILITY CONDITIONS

1. DUTIES OF INSURED — WHAT TO DO IN CASE OF CLAIM, INJURY, OCCURRENCE, OR SUIT

You, other *insureds*, and other coverage beneficiaries must do all of the following things:

- A. Immediately notify *us* of all relevant circumstances relating to a claim or any incident which may result in a claim, with all necessary information. For example: who *you* are; the time, place, and circumstances of the injury or *occurrence*; the names and addresses of injured persons and witnesses.
- B. Immediately send *us* all bills, documents, notices, papers, or summonses related to any claim or suit brought against any *insured* or to any medical expense claims.
- C. Cooperate with *us* in matters relevant to the claim or suit. Assist *us* in: conducting suits, including attending hearings and trials and giving evidence; enforcing the *insured's* rights of contribution or indemnity against others; investigating *occurrences*; making settlements; obtaining records / information or the attendance of witnesses.
- D. Submit to examination and provide statements under oath and sign and swear to such. If more than one person is examined, *we* reserve the right to examine and receive statements from each person separately and out of the presence of the others. *We* also reserve the right to video record any examination.
- E. Refrain from voluntarily making payments, assuming obligations, or incurring defense, investigative, or any other expenses — unless with *our* specific written authorization to do so (otherwise such undertakings will be at the *insured's* own expense and *we* will not pay for them). This does not apply to first aid expense coverage.
- F. With regard to Coverage F, coverage beneficiaries must, as *we* may reasonably require: provide written proof of

claim (under oath, if required); submit, at *our* expense, to physical examinations by physicians of *our* choice; and authorize *us* to obtain medical records.

Failure to comply with these (or other conditions) can alter or void *our* obligations under this policy.

2. LIMITS OF LIABILITY

Our maximum total liability payable for the sum of all damages, injury, liability and loss covered under this policy is limited as follows — regardless of the number of *insureds*, or claims made or suits brought by one or more persons or organizations. *Our* obligation to make payments ceases when the applicable limit is used up in payment of judgment or settlements.

- A. General Coverage Limits — The following limits apply for all damages or medical expenses in any one *occurrence*, accident, or injury, as indicated:
 - (1) Occurrence Limits — Coverages E and F
Our maximum limit of liability payable under Coverages E and F in any one *occurrence* is the *occurrence* limit shown in the Declarations (but see the sublimit applicable to Supplemental Coverage 6).
 - (2) Accident Limit / Per Person Limit — Coverage F
Our maximum limit of liability payable under Coverage F for any one person in any one accident is the "per person" limit shown in the Declarations.
 - (3) Personal Injury / Advertising Injury Limit
Our maximum limit of liability payable under Personal Injury / Advertising Injury Coverage for all such injuries sustained by any one person or organization is the limit shown in the Declarations or Declarations Supplement.

- B. Aggregate / Total Limits — The following limits apply for all damages or medical expenses for all *occurrences*,

accidents, or injuries, that may occur in the period(s) described in the following Paragraph C.

(1) Aggregate / Total Limits — General Coverages

Our maximum limit of liability payable for:

- a. Coverage E;
- b. Coverage F; and
- c. *Personal Injury / Advertising Injury*;

is the general aggregate / total limit shown in the Declarations.

This general aggregate / total limit does not apply to the *products / completed operations hazard*, which is subject to a separate specific aggregate / total limit.

If a specific aggregate / total limit is not shown in the Declarations, then a general aggregate / total limit does not apply to the subject coverages.

(2) Aggregate / Total Limit — *Products / Completed Operations Hazard*

Our aggregate / total maximum limit of liability payable under Coverage E for all damages included in the *products / completed operations hazard* is the

occurrence limit shown in the Declarations.

C. Application of Limits

- (1) The limits described in the preceding paragraphs apply separately to each consecutive 12 month period, beginning with the policy term shown in the Declarations.
- (2) If the policy is originally issued for more than 12 consecutive months with a terminal period less than 12 months, the limits apply separately to: each consecutive 12 month period; the terminal period. For example; if 27 months: 12 months, 12 months; 3 months. However, if extended after issuance, the terminal period is included in the last 12 month period. For example, 12 months and 15 months.

3. OTHER CONDITIONS

- A. Except for the limits of liability and any duties / rights assigned to the *first named insured*, this insurance applies separately: to each *insured* against whom claim is made or suit is brought; to each *named insured* as if the only *named insured*.
- B. Bankruptcy of the *insured* does not relieve us of our obligations under this policy.

COMMON EXCLUSIONS — PARTS I AND II

The following includes similar type Exclusions applicable to Parts I and II. These Common Exclusions apply in addition to those shown under the Separate Coverage Parts.

We provide no insurance for any damages, expenses, liability, or loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following — even if loss otherwise covered contributes to such concurrently or in any sequence.

PART I

The following apply to Part I:

1. EARTH MOVEMENT / EARTHQUAKE / VOLCANIC ACTIVITY

Earthquake; volcanic activity (including volcanic effusion, eruption or explosion) other than that specifically described as included in volcanic eruption in Part I C, Losses Insured; or other catastrophic earth movement. But if loss resulting from fire or explosion, or theft (to the extent otherwise insured under this policy) ensues, *we* insure such resulting loss.

2. GOVERNMENTAL / LEGAL / WAR

- A. Any act or condition of: war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such act or condition whether actual or expected.
- B. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured*. Statutory fines or liability. Exemplary punishment.

- C. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations.

Loss to property that is contraband or in the course of illegal transportation or trade.

- D. Damage or destruction of property ordered by civil authority, other than immediate acts of destruction ordered by authorized civil authorities for the purpose of preventing the spread of fire — provided the fire originates from a cause of loss covered in this policy.

3. NUCLEAR / RADIOACTIVE LOSS

- A. Any nuclear event, occurrence, or operation, including nuclear explosion, nuclear reaction, nuclear radiation, or radioactive contamination.

These are not fire, explosion, smoke or any other covered cause of loss. However, if these result in fire *we* insure such resulting direct fire loss, but not any other direct physical loss which may ensue.

- B. The explosive, radioactive, toxic, or other injurious properties of nuclear or radioactive materials — whether such materials are natural or manufactured.

PART II

The following apply to Part II:

1. EARTHQUAKE

Earthquake.

2. GOVERNMENTAL / LEGAL / WAR

- A. Any act or condition of war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such act or condition whether actual or expected.
- B. Knowing violation of penal law or ordinance committed by, or with the consent of, any *insured*. Statutory fines or liability. Exemplary or punitive damages. Illegal trade.
- C. Violation of any ordinance, regulation or statute that prohibits or limits the communicating, distributing, sending or transmitting of material or information such as the Telephone Consumer Protection Act (TCPA) or the CAN-SPAM Act of 2003, including any amendments or additions to such laws.
- D. Confiscation, loss, or seizure under customs, drug enforcement or quarantine legislation or regulations.

3. NUCLEAR ENERGY

We do not insure *bodily injury* or *property damage* as follows:

- A. With respect to which an *insured* under this policy is also an insured under any nuclear energy liability policy (or would have been an insured under such but for its termination upon exhaustion of its limits).
- B. Resulting from the *hazardous properties* of *nuclear material*, with respect to which:
- (1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amendments, or
 - (2) The *insured* is (or would be if this policy did not exist) entitled to indemnity from the United States of America or its agencies under any agreement entered into by the United States of America or its agencies.
- C. Resulting from the *hazardous properties* of *nuclear material*, if:
- (1) The *nuclear material* is at, or is discharged or dispersed from, any *nuclear facility* owned or operated by or on behalf of any *insured*, or

- (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time disposed of, handled, possessed, processed, stored, transported, or used by or on behalf of any *insured*.

- D. The furnishing by any *insured* of equipment, materials, parts, or services in connection with the construction, maintenance, operation, planning, or use of any *nuclear facility*: but if such facility is located within the United States of America, its possessions or territories, or Canada, this applies only to *property damage* to such facility and property located at such facility.

E. Glossary

The following special definitions apply to this Exclusion:

- (1) *Hazardous Properties* include explosive, radioactive, or toxic properties.
- (2) *Nuclear Facility* means any of the following:
 - a. Any *nuclear reactor*;
 - b. Any equipment or device designed or used for: separating the isotopes of uranium or plutonium; processing or utilizing *spent fuel*; handling, processing or packaging *waste*;
 - c. Any device or equipment used for alloying, fabricating, or processing of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such device or equipment is located consists of, or contains more than, 25 grams of plutonium or uranium-233, or any combination of such materials, or more than 250 grams of uranium-235;
 - d. Any basin, excavation, place, premises, or structure prepared for, or used for, the storage or disposal of *waste*; or
 - e. The site on which any of the foregoing property is located, all operations conducted on such site, and all premises used for such operations.
- (3) *Nuclear Material* means *source*, *special nuclear*, or *by-product material*.
- (4) *Nuclear Reactor* means any apparatus designed or used: to sustain nuclear fission in a self-supporting chain reaction; to contain a critical mass of fissionable material.
- (5) *Property Damage* also includes all forms of radioactive contamination of property.
- (6) *Source Material*, *Special Nuclear Material*, and *By product Material* have the meanings given them in the Atomic Energy Act of 1954, or any amendments.

(7) *Spent Fuel* means any fuel component or element, whether solid or liquid, which has been either used in, or exposed to radiation in, a *nuclear reactor*.

(8) *Waste* means any material, resulting from the operation of a *nuclear facility* as defined in the first two items of *nuclear facility*,

containing *by-product material* other than the tailings or wastes produced by the extraction or concentration of thorium or uranium from any ore processed primarily for its *source material* content.

COMMON GLOSSARY • PARTS I AND II

Certain words and phrases used in this policy are defined for the purposes of this insurance contract. These are described below.

PARTS I and II

The following apply to both Parts I and II:

Fungi

Fungi means any type or form of fungus, mold, mildew spores, algae, smut, protists, rusts or *rot and decay organisms*, and any similar or related organisms and any mycotoxin, substance, compounds, chemicals, mist or vapor produced by any *fungi* in any form, or any by-products or waste produced by *fungi*, but does not include any *fungi* intended to be edible.

Pollutants

Pollutants are any gaseous, liquid, solid, or thermal contaminant or irritant, including acids, alkalis, chemicals, fumes, smoke, soot, vapors, and waste (including materials to be reclaimed, reconditioned, or recycled).

Rot and Decay Organisms

Rot and decay organisms means any living organism that causes decomposition of physical property.

We/Us/Our

We, us, and our refer to the Insurance Company named in this policy.

You / Your/ Yourself

You, your and yourself refer to the *named insureds* who are the *insureds* named in the Declarations. *First named insured* is the *insured* named first in the Declarations. *You* also includes any organization that *you* newly acquire or form to the extent covered in this policy.

PART I:

The following apply to Part I

Actual Cash Value

Consideration may be given by *us* in *our* determination of *actual cash value* to: age; condition; cost to repair, replace, or restore the property, subject to deduction for depreciation; deterioration; economic value; market value; obsolescence (both structural and functional); original cost; use; utility; or other circumstances that may reasonably affect value.

Automatic Sprinkler System

Automatic sprinkler system means —

- (1) Any automatic fire protection or extinguishing system, including any of the following
 - A. Ducts, fittings, pipes, or valves.
 - B. Pumps and private fire protection mains.
 - C. Sprinklers and other discharge nozzles.
 - D. Tanks, including their component parts and supports.
- (2) When supplied by an automatic fire protection or extinguishing system:
 - A. Hydrants, outlets, or stand pipes.
 - B. Non-automatic fire protection or extinguishing systems.

Collapse

Collapse means an abrupt falling down or caving in of a building or structural parts of a building.

Collapse does not include a building or part of a building that is:

- (1) In danger of falling down or caving in,
- (2) Standing, even if it has separated from another part of the building.

Collapse does not include bulging, cracking, expanding, settling or shrinking.

Computer Hacking

Computer hacking means unauthorized intrusion into a computer network, hardware, software or website including entry of a computer worm, Trojan Horse, spyware or adware that results in:

- (1) Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media data, packaged programs, or information.

- (2) Copying, observation or scanning of data records, programs and applications and proprietary programs;
- (3) Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;
- (4) Deletion, destruction, generation or modification of software; or
- (5) Denial of access to or denial of service from *your* computer network, hardware or website.

Computer Virus

Computer virus means the introduction into hardware, software or a website of any malicious self-replicating electronic data processing code or other code that is intended to result in, but is not limited to:

- (1) Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;
- (2) Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;
- (3) Deletion, destruction, generation or modification of software; or
- (4) Denial of access to or denial of service from *your* computer network, hardware or website.

Insured

Insured means the person or entity designated as *insured* in the Declarations or otherwise named as an *insured* in this policy.

Money / Securities

Money means — bank notes, bearer bonds, bullion, coins, currency, lottery tickets, money orders, prepaid phone cards, registered checks, stored value cards, and travelers checks held for sale to the public.

Securities means — negotiable and nonnegotiable Contracts or instruments that represent obligations to pay money or pay other property and that are collectible at the time of loss: examples of such include — but are not limited to — accounts, bills, deeds, evidence of debt, notes; revenue and other stamps, tickets (not *money*), or tokens now in use.

Valuable Papers and Records

Valuable papers and records means abstracts, books of account, documents, deeds, electronic or magnetic media, manuscripts, and other like *records*.

PART II

The following apply to Part II:

Automobile

Automobile means:

- (1) Any land motor vehicle or trailer (including semi-trailers) designed for travel on public roads, including any equipment or machinery attached to such vehicle or trailer.
- (2) Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

Automobile does not include vehicles covered in this policy as *mobile equipment*.

Bodily Injury

Bodily injury means bodily harm, sickness or disease sustained by any person including death at any time resulting from such, caused by a covered *occurrence*.

Employee

Employee means a person employed by *you* and includes a *leased worker*. *Employee* does not include a *temporary worker* or independent contractor.

Insured

Insured means the following, as designated in the Declarations, to the extent set forth below:

- (1) The organization named in this policy (*you*) and any executive officers or directors while acting within the scope of their duties as such.
- (2) *Your employees* (other than executive officers) while acting within the scope of their duties as such.
- (3) Any of *your* members, but only with respect to their liability for *your* activities or activities they perform as such on *your* behalf.
- (4) Any trustee, official, member of the board of governors or clergyman, but only with respect to their duties as such for *you*.
- (5) Any other person who is a volunteer worker for *you*, but only while acting at *your* direction and within the scope of their duties for *you* as such. However, no volunteer is an *insured* for:
 - A. *Bodily injury* to a co-volunteer or *your employee* arising out of and in the course of their duties for *you* as such;
 - B. *Property damage* to property owned, occupied or used by, rented, in the care, custody, or control of, or over which physical control is being exercised for any purpose by: *you*; any co-volunteer; *your employee*.
- (6) Persons (other than *your employees*) or organizations acting as real estate manager for *you*.

- (7) An organization (not a partnership, joint venture or limited liability company) that *you* newly acquire or form, if owned with majority interest by *you*; but only up to 364 days after *you* first acquire or form such or the end of the policy term, whichever ends first. Such entity is not an *insured* under this policy if there is other similar insurance available to it or for any accidents, *occurrences* or offenses prior to the time of such acquisition or formation.

This insurance does not apply to any partnership, joint venture or limited liability company — of which the *insured* is a partner or member — if not named in this policy, including those responsible for such.

Leased Worker

Leased worker means a person who is leased to *you* by a labor leasing firm under an agreement between *you* and such firm to perform duties related to the conduct of *your* business / operations. *Leased worker* does not include a *temporary worker*.

Loading / Unloading

Loading or unloading means the handling or movement of property as follows:

- (1) Beginning while being moved from the place where it is accepted for movement into or onto an aircraft, *automobile*, or watercraft;
- (2) While in or on an aircraft, *automobile* or watercraft;
- (3) While being moved from an aircraft, *automobile*, or watercraft to the place where it is finally delivered.

Loading or unloading does not include movement of property by any mechanical device which is not attached to the aircraft, *automobile*, or watercraft, other than a hand truck.

Occurrence

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Products / Completed Operations Hazard

Products / Completed Operations Hazard includes all *bodily injury and property damage* arising out of *your products* or *your work* (occurring away from *your premises*), other than that arising out of any of the following:

- (1) Materials which are abandoned or unused, tools, or uninstalled equipment.
- (2) Products that are in *your* physical possession.
- (3) Transporting property, unless the *occurrence* results from a condition in or on a vehicle created by *loading or unloading* of the vehicle.

- (4) Work that has not been completed or abandoned. *Your work* is deemed completed at the earliest

- A. When all the work called for in *your* contract is completed.
- B. When all the work called for in *your* contract at the job location is completed if *your* contract calls for work at more than one location.
- C. When that part of the work at a job location is put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that needs final correction, maintenance, repair, replacement, or service — but is otherwise complete — is deemed completed.

Property Damage

Property damage means the following, caused by a covered *occurrence*:

- (1) Direct physical injury to tangible property, including loss of use of such property (the loss of use is deemed to occur at the time of such direct physical injury).
- (2) Loss of use of tangible property that is not physically injured: all such loss of use is deemed to occur at the time of the *occurrence* causing the loss.

Temporary Worker

Temporary worker means a person who is furnished to *you* as a substitute for a permanent *employee* on leave or to meet seasonal or other short-term workload conditions. *Temporary worker* does not include a *leased worker*.

Your Premises

Your premises means: premises occupied or owned by, or rented to, *you*; and — whether or not such premises are designated in the Declarations or elsewhere in this policy — premises *you* have abandoned, sold, or transferred to others.

Your Products

Your products means the following:

- (1) Goods or products disposed of, distributed, handled, sold, or manufactured by: *you*; others trading under *your* name; persons or organizations whose business or assets *you* have acquired.
- (2) Containers (other than vehicles), equipment, materials, or parts furnished in connection with such goods or products.

Your products also includes the following: warranties or representations made at any time with respect to the durability, fitness, performance, quality or use of any of *your products*; providing or failing to provide instructions or warnings.

Your products does not include: real property; vending machines, or other property either rented to others or placed for the use of others, but not sold.

Your Work

Your work means the following:

- (1) Operations or work performed by *you* or on *your* behalf.

- (2) Equipment, materials, or parts furnished in connection with such work or operations.

Your work also includes the following: warranties or representations made at any time with respect to the durability, fitness, performance, quality or use of any of *your work*; providing or failing to provide instructions or warnings.

COMMON CONDITIONS — PARTS I AND II

The following are Conditions that apply to both Parts I and II. These Common Conditions apply in addition to those shown under the separate Coverage Parts.

1. ACTION OR SUIT AGAINST US PART I

The conditions for bringing an action or suit against *us* are described elsewhere in this policy in the state mandatory endorsement.

PART II

No action may be brought against *us* until all conditions in this policy are complied with, and until the amount of the *insured's* obligation (payable under this policy) has been determined by judgment in trial or by agreement made with *our* written consent.

No right exists in this policy for *you* or others to make *us* party to an action against any *insured*.

2. ASSIGNMENT OF YOUR INTEREST

No assignment of an interest in this policy is binding on *us* without *our* written consent.

3. CANCELLATION / TERMINATION

A. General

You may cancel this policy by: surrendering the policy to *us* or *our* agent or by mailing *us* or *our* agent notice stating a subsequent cancellation date for the policy. Such request made by the *first named insured* applies for all *insureds* / interests named in this policy. All cancellations are pro rata, but a minimum earned premium may apply. Any return premium is payable to the *first named insured* — within 30 days after the cancellation date.

If *you* secure insurance with another insurer to replace *our* policy and do not pay the premium, or installment payment, for this policy when due; this policy terminates at the time such other insurance becomes effective. If *you* sell the described business or premises to others, coverage under this policy terminates at the time title is transferred to others with respect to such business or premises — unless *you* retain an insurable interest.

B. Our Right to Cancel or Terminate

Our rights to cancel or terminate this insurance are described elsewhere in this policy in the state mandatory endorsement.

4. CONCEALMENT / MISREPRESENTATION / FRAUD

This policy is void if, either before or after a loss or occurrence or claim, any *insured* misrepresents or knowingly conceals any material fact or circumstance, commits fraud, or swears falsely relating to any aspect of this insurance (including the information *we* relied upon in issuing this contract). However, if *we* specifically choose not to declare this policy void, *we* do not provide insurance under this policy to, or for the benefit of, any such *insureds*.

5. CONFORMITY WITH STATUTE

It is agreed by *us* that the provisions in this policy are amended to conform to all applicable statutory requirements.

6. COVERAGE TERRITORY

PART I

We cover damage or loss only within the fifty states of the United States of America (including its possessions and territories), the District of Columbia, Puerto Rico and Canada.

PART II

Coverage under this policy applies only within the following territories:

A. The United States of America (including its possessions and territories), the District of Columbia, Puerto Rico and Canada.

B. International waters or air space, if the *bodily injury* or *property damage* occurs while in the course of transit to or from the territory described in the preceding Paragraph A.

C. Anywhere in the world with respect to damages because of *bodily injury* or *property damage* arising out of either:

- (1) Activities of a person whose home is in the territory described in the preceding Paragraph A, but is away for a brief time in the course of *your* operations covered under this policy, or

- (2) Goods or products made or sold by *you* in the territory described in the preceding Paragraph A.

However, all coverage in this policy applies only to suits which are brought or agreements made with *our* written consent within the territory described in the preceding Paragraph A.

7. EXAMINATION / CHANGES

We may, at *our* option, inspect *your* property, and operations at any time, make surveys, and make recommendations. However, *our* reports or recommendations or those of any inspection bureau or rating bureau do not constitute a determination or representation that *your premises* or operations are in compliance with any law or regulation, healthful, or safe.

We may inspect and audit *your* books and records at any time (including up to 3 years after termination of this insurance contract) to the extent such pertain to the subject of this insurance or payment of premium. The *first named insured* is required to keep all records necessary for such and send complete accurate copies to *us* at *our* request.

We may make premium adjustments: because of inspection and audit; because of the use of premises not described in this policy or any other ratable additions or changes; because of newly acquired or formed business entities.

But, as to Part II, *we* are not obligated to continue insurance on additions or changes, new entities, or premises described in the preceding paragraphs. Nor, in any event, are such covered on renewal (of the expiring policy term) unless *you* report such to *us* and such are described in the renewal Declarations: this condition does not apply to additions or changes (other than new entities) effected within 60 days prior to the renewal date of the expiring policy term.

8. INSURANCE UNDER MORE THAN ONE COVERAGE

In the event that more than one coverage under this policy covers the same loss *we* are liable only for the amount of *our* obligation, up to *our* limit of liability, not exceeding the amount of loss.

9. LIBERALIZATION

This policy is automatically extended to include provisions approved during the policy period or within 45 days prior to its inception, which would broaden coverage under this policy, if such are not subject to additional premium or concurrent with coverage restrictions.

10. OTHER INSURANCE

PART I

- A. This insurance is excess insurance over other insurance *you* may have applicable to the loss

(whether *you* can collect on it or not) that is not subject to the same provisions contained in this policy.

- B. When this insurance is excess over other insurance: *We* pay only *our* share of the remaining loss; that exceeds the sum of both:

- (1) The total amount payable by all such insurance, as described, in the absence of this insurance, plus
- (2) The total of any deductibles or self-insured amounts under all such insurance.

Furthermore, any remaining loss is then shared by *us* with any other insurance remaining on the loss in accordance with the provisions described in the following Paragraph C.

- C. With regard to other insurance, subject to the same provisions contained in this policy or where *we* otherwise are a primary insurer (among others), *we* pay in one of the following ways:

- (1) If all such other insurers provide for contributions by equal shares: *we* and all other insurers contribute equal amounts until the amount of obligation is paid or the insurer's applicable limit of liability is used up, whichever comes first.
- (2) If any other insurer does not provide for equal shares: *we* pay no greater proportion of the total amount of loss than *our* obligation on the applicable limit of liability of this policy bears to the total amount of insurance of all insurers covering the loss.

However if *you* have any other insurance applicable to property covered under this policy — but not covering a cause of loss covered under this policy, then: any loss payable under this policy in connection with such cause of loss is apportioned and payable by *us* in the same way as if such other insurance covered the loss.

PART II

- A. This insurance is excess insurance over valid And collectible insurance provided on any basis:
- (1) That is not subject to the same provisions contained in this policy, other than an umbrella / excess liability policy which applies in excess of the limits of this policy.
 - (2) That is property insurance (including fire, allied lines, inland marine) for *your work* or a premises rented to, or occupied by *you*.
 - (3) That is liability insurance (including an umbrella / excess liability policy) for aircraft, automobiles, watercraft, or pollution to the extent covered in this policy.

- (4) That is primary liability insurance available to *you* when *you* have been added or named as an additional insured on such other insurance for damages arising out of the business / operations or premises described in that other policy.

B. When this insurance is excess over other valid and collectible insurance:

- (1) *We* have no obligation to defend or provide a defense — but, *we* may defend:
- a. If no other insurer defends: *we* are then entitled to the *insured's* rights against all other insurers; or
 - b. If, at *our* option, *we* choose to join the defense provided by other insurers or provide a separate defense.
- (2) *We* pay only *our* share of the remaining loss that exceeds the sum of both:
- a. The total amount payable by all such insurance, as described, in the absence of this insurance, plus
 - b. The total of any deductibles or self-insured amounts under all such insurance.

Any remaining loss is then shared by *us* with any other insurance remaining on the loss in accordance with the provisions described in the following Paragraph C, of this Condition (other than an umbrella / excess liability policy which applies in excess of the limits in this policy).

C. With regard to other valid and collectible insurance subject to the same provisions contained in this policy or where *we* are a primary insurer (among others), *we* pay in one of the following ways:

- (1) If all such other insurers provide for contributions by equal shares: *we* and all other insurers contribute equal amounts until the total amount of obligation is paid (or each insurer exhausts its applicable limit of liability).
- (2) If any other insurer does not provide for equal shares: *we* pay no greater proportion of the total amount of the *insured's* obligation than the applicable limit of liability in this policy bears to the total amount of insurance of all insurers covering the loss.

11. PREMIUMS

The first *named insured* is responsible for the payment of all premiums, and will be the sole payee of any premiums *we* return. Premium adjustments, including audit premium adjustments, are due and payable on *our* notice of such to the *first named insured*.

12. RECOVERY FROM OTHERS

If any *insured* (or others) to whom, or for whom, *we* make

payment has any rights of recovery on the loss from another, those rights are transferred to *us* to the extent of *our* payment under this policy. *Insureds* (or such others) must do whatever *we* require to secure these rights. *You* may waive such rights in writing prior to a covered loss. *You* may also waive such rights after a loss, but only if the waiver is given to either:

A. Another *insured* under this policy; or

B. An organization either controlled or owned by *you* or that controls or runs *your* organization.

But *we* have no obligation to pay under this policy on the loss if these rights are otherwise waived.

13. TIME OF INCEPTION

PART I

The time of inception and expiration is 12:01 A.M. Standard Time at the described premises. Unless otherwise specifically provided for in this policy, this insurance applies only to *covered loss* that takes place during the policy term (but see Coverage C).

PART II

The time of inception and expiration is 12:01 A.M. Standard Time at the described premises.

14. WAIVER OR CHANGE OF PROVISIONS

Only the *first named insured* may request changes in this policy. The terms in this policy may not be waived or changed except in writing, signed by *our* agent and attached to this policy. The exercise of *our* rights under this policy is not an act of waiver. This policy contains all related agreements between *you* and *us*.

MMB 200 06 10

EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

Subject to any applicable limits on the Declarations, the Equipment Breakdown Limit is the most we will pay for loss or damage arising from any *One Accident*.

These coverages apply to all locations covered on the policy, unless otherwise specified.

Coverages	Limits
Equipment Breakdown Limit	\$30,000,000
Loss of Income (including Extra Expense)	See Coverage C
Expediting Expenses	\$100,000
Hazardous Substances	\$100,000
Spoilage	\$100,000
Data Restoration	\$100,000

Deductibles

Combined, All Coverages	\$1,000
Direct Coverages	\$
Indirect Coverages	\$ or _____ hrs. or _____ times ADV
Spoilage	\$ or ____% of loss, \$ ____ minimum

Other Conditions

MMB 030 06 10

EQUIPMENT BREAKDOWN COVERAGE

This endorsement, together with the Religious Institution Form (MMR 010) and the Equipment Breakdown Coverage Schedule (MMB 200), provides additional coverages as described below.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL SUPPLEMENTAL COVERAGES

The following is added to Part I B - Supplemental Coverages.

A. EQUIPMENT BREAKDOWN

We will pay up to the limit shown in the Schedule, *your* direct physical damage to covered property caused by or resulting from an *accident* to covered equipment. As used in this Supplemental Coverage, an *accident* means fortuitous direct physical damage as follows:

- (1) mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (2) loss by artificially generated electrical currents to electrical or electronic appliances, devices or wiring;
- (3) explosion of steam boilers, steam engines, steam pipes or steam turbines *you* own or lease or which are operated under *your* control;
- (4) loss or damage to steam boilers, steam engines, steam pipes or steam turbines caused by any condition or event within such boiler or equipment; or
- (5) loss or damage to hot water boilers or other equipment for heating water caused by any condition or occurrence within such boiler or equipment.

B. COVERAGE EXTENSIONS

Unless otherwise shown in the Schedule, the following coverage extensions also apply to loss caused by or resulting from an *accident* to covered equipment. These coverage extensions do not provide additional limits of insurance.

(1) Expediting Expenses

We will pay, up to the limit shown in the Schedule, the reasonable extra cost to:

- a. make temporary repairs to *your* damaged covered property; and/or
- b. expedite permanent repairs or permanent replacement to *your* damaged covered property.

(2) Hazardous Substances

We will pay for the additional expenses to repair or replace covered property because of contamination by a *hazardous substance*. This includes the additional expenses required to clean up or dispose of such property. This does not include contamination of *perishable goods* by refrigerant, including but not limited to ammonia, which is addressed in Spoilage below.

Additional expenses mean those beyond what would have been required had no *hazardous substances* been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of income *you* sustain and necessary extra expense *you* incur, is the limit shown in the Schedule.

(3) Spoilage

We will pay for the following:

- physical damage to *perishable goods* due to spoilage;
- physical damage to *perishable goods* due to contamination from the release of refrigerant, including but not limited to ammonia;
- any necessary expenses *you* incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable

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under this coverage. We will also pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

If you are unable to replace the *perishable goods* before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the *perishable goods* at the time of the *accident*, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the How Losses Are Settled condition.

The most we will pay for loss, damage or expense under this coverage is the limit shown in the Schedule.

(4) Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore *data*. The most we will pay for loss or expense under this coverage, including actual loss of income you sustain and necessary extra expense you incur, is the limit shown in the Schedule.

(5) Service Interruption

Any insurance provided for loss of income, extra expense or spoilage is extended to apply to loss, damage or expense caused by the interruption of utility services. The interruption must result from an *accident* to equipment, including overhead transmission

lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water or steam, internet access, telecommunications services, wide area networks, or *data* transmission. The equipment must meet the definition of *covered equipment* except that it is not covered property.

Unless otherwise shown in the Schedule, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the *accident*.

The most we will pay in any *one accident* for loss, damage or expense under this coverage is the applicable limit that applies to loss of income, extra expense or spoilage.

(6) Loss of Income

Any insurance provided under this policy for loss of income or extra expense is extended to the coverage provided by this endorsement. The most we will pay for loss of income you sustain or necessary extra expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in the Schedule.

ADDITIONAL CONDITIONS

1. Suspension

When any *covered equipment* is found to be in, or exposed to a dangerous condition, our representative may immediately suspend the insurance against loss from an *accident* to that *covered equipment*. We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the equipment is located. Once insurance is suspended, it can be reinstated only by an endorsement for that *covered equipment*. If insurance is suspended, you will receive a pro rata refund of premium for that *covered equipment* for the period of suspension. The suspension will be effective even if we have not yet offered or made a refund of premium.

2. Jurisdictional Inspections

If any property that is *covered equipment* under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

If *covered equipment* requires replacement due to an *accident*, we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

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However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which *actual cash value* applies.

4. Deductible

As regards Equipment Breakdown Coverage only, the following provision is added to Part I G. Special Part I Conditions, 2.B. Deductible:

- A. The Equipment Breakdown Deductible is shown on the Equipment Breakdown Schedule.

If the deductibles vary by type of *covered equipment* and more than one type of equipment is involved in any one accident, only the highest deductible for each coverage will apply.

B. Direct and Indirect Coverages

Unless otherwise shown in the Schedule, the direct coverages deductibles apply to all loss or damage covered by this endorsement with the exception of those coverages subject to the indirect coverages deductibles as noted below. Unless more specifically indicated in the Schedule, the indirect coverage deductibles apply to loss of income and extra expense.

(1) Dollar Deductibles:

We will not pay, for loss, damage or expense resulting from any *one accident* until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible, up to the applicable Equipment Breakdown Limit after any deduction for the coinsurance requirements.

(2) Time Deductible:

If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the *accident*. If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

(3) Multiple of Average Daily Value (ADV):

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the loss of income (as defined in any Loss of Income coverage that is part of this policy) that would have been earned during the period of interruption, had no *accident* occurred, divided by the number of working days in that period. No reduction shall be made for the loss of income not being earned, or in the number of working days, because of the *accident* or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to all locations included in the valuation of the loss.

The number indicated in the Schedule shall be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(4) Percentage of Loss Deductibles:

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss or damage (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

5. The most we will pay for loss or damage under this endorsement arising from any *one accident* is the equipment breakdown limit shown in the Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

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ADDITIONAL DEFINITIONS

Boilers and Vessels*Boilers and vessels* means:

1. any boiler, including attached steam, condensate and feedwater piping; and
2. any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the Schedule.

Covered Equipment*Covered equipment* means, unless otherwise specified in the Schedule, covered property:

1. that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
2. which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

Data*Data* means information or instructions stored in digital code capable of being processed by machinery.***Hazardous Substance****Hazardous substance* means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.***Media****Media* means material on which *data* is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.***One Accident****One accident* means - If an initial *accident* causes other *accidents*, all will be considered *one accident*. All *accidents* that are the result of the same event will be considered *one accident*.***Perishable Goods****Perishable goods* means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.***Production Machinery****Production machinery* means any machine or apparatus that processes or produces a product intended for eventual sale. However, *production machinery* does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this endorsement, but may appear in the Schedule.

Vehicle*Vehicle* means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. *Vehicle* includes, but is not limited to car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a *vehicle*.

ADDITIONAL EXCLUSIONS

COVERAGE MODIFICATIONS

All of the Property Exclusions, Property Limitations, Losses Not Insured and Common Exclusions in your policy apply except as modified below and to the extent that coverage is specifically provided by this Supplemental Coverage Equipment Breakdown.

A. Part I F. Losses Not Insured is modified as follows:

- (1) The following is added to the end of the first paragraph of provision 6:

However, if electrical *covered equipment* requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the equipment breakdown limit and deductible.

- (2) Provision 13.A. is deleted and replaced with the following:

Wear and tear • birds, domestic animals, insects, raccoons, rodents or vermin • corrosion • decay or deterioration • deficiency, error or omission in design, materials, plans or workmanship • disease • inherent vice (a customary characteristic of the property) • latent defect (an original condition or fault leading to loss) • rust.

However, if loss by an *accident* results, we will pay for the loss or damage caused by that *accident*.

Contamination or *pollution* including, but not limited to: (1) the discharge, dispersal, emission, escape, migration, release or seepage of *pollutants*; (2) the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to cleanup, contain, detoxify, monitor, neutralize, remove, test for or in any way respond to *pollutants*, asbestos, *fungi*, mold or lead contamination or assess the effects of *pollutants*, asbestos, *fungi*, mold or lead contamination; but see Supplemental Coverage 14 for certain coverage.

- (3) The following paragraph is added to provisions 13.B., 13.F. and 13.G.:

However, if loss by an *accident* results, we will pay for the loss or damage caused by that *accident*.

B. The following are added to Part I F. Losses Not

Insured:

- (1) We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an *accident*:

a. fire; lightning; windstorm / hail; explosion (except as specifically provided in Additional Supplemental Coverages A.(3) above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of ice, sleet or snow; freezing; collapse; flood or earth movement.

b. any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is *perishable goods*, to the extent that spoilage is covered under Spoilage coverage.

- (2) We will not pay under this endorsement for loss, damage or expense caused by or resulting from the following:

a. a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or an electrical insulation breakdown test of any type of electrical equipment; or

b. any of the following:

- defect, programming error, programming limitation, computer virus, malicious code, loss of *data*, loss of access, loss of use, loss of functionality or other condition within or involving *data* or *media* of any kind; or

- misalignment, miscalibration, tripping

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off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if loss or damage from an *accident* results, we will pay for that resulting loss or damage.

- (3) With respect to Loss of Income or Service Interruption coverages, we will not pay for any increase in loss resulting from an agreement between *you* and *your* customer or supplier.

- (5) *vehicle*, or any equipment mounted on a *vehicle*;
- (6) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) dragline, excavation or construction equipment; or
- (8) equipment manufactured by *you* for sale.

C. Property Exclusions

The following are not considered *covered equipment*:

- (1) structure, foundation, cabinet, compartment or air supported structure or building;
- (2) insulating or refractory material;
- (3) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- (4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;

FORGERY OR ALTERATIONS CRIME COVERAGE • PART I

This endorsement provides crime insurance for covered instruments.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

COVERAGE MODIFICATION

A. Coverage Inside the Premises

We cover loss resulting directly from the forgery or alteration of, on or in any covered instrument.

The Part I B Supplemental Coverages are replaced with:

B. Supplemental Coverage -- Legal Expenses

- *If you are sued for refusing to pay a covered instrument because you believe it to be forged or altered, and if you have our written consent to defend such suit, we will pay for reasonable legal expenses that you incur and pay in that defense.*
- *Coverage provided by this extension is a separate, additional amount of insurance. The deductible does not apply.*

ADDITIONAL EXCLUSION

Indirect Loss

Loss indirectly resulting from any act or occurrence covered by this insurance, such as loss resulting from or consisting of:

- *Costs, fees or other expenses you incur in establishing the existence of loss, or the amount of loss.*
- *Damage for which you are legally liable. But we will pay for compensatory damages arising directly from a covered loss.*
- *Your loss of income that you otherwise would have earned had the loss of or damage to covered property not occurred.*

ADDITIONAL CONDITIONS

A. Coverage Territory

Condition 6 of the Common Conditions is replaced by the following:

We cover loss you sustain anywhere in the world.

B. Discovery Period

We provide insurance under this policy for covered loss discovered no later than one year from the end of the policy term.

C. Duties When Loss Occurs

Paragraph E of the Duties Condition is extended to provide that the signed, sworn proof of loss is to be submitted within 120 days of our request.

Also, if possible, submit any covered instrument

D. Facsimile Signatures

We treat mechanically reproduced facsimile signatures the same as handwritten signatures.

E. Interests Covered

This insurance covers property that you own, hold or are legally liable for. However, this insurance is for your benefit only. This insurance does not apply to the benefit of any other person or organization.

F. Limit of Liability

The How Losses Are Settled Condition is amended as follows:

a. Limit of Liability

Our maximum liability for loss in any one occurrence is the applicable limit of liability shown in the Declarations Supplement.

No deductible applies to this coverage.

G. Loss Sustained Under Prior Insurance

1. *If you (or any predecessor in interest) sustained loss during the policy term of any prior insurance that you (or the predecessor in interest) could have recovered under such insurance had the time period for discovering loss not expired, we will provide insurance under this endorsement for such loss provided:*

▪ *This insurance became effective at the time of cancellation, expiration or termination of the prior insurance; and*

▪ *Such loss would have been a covered loss under this insurance had this insurance been in effect when the acts or events causing the loss occurred or were committed.*

2. *The most we will pay is the lesser amount recoverable under this insurance or the prior insurance had it remained in effect.*

H. Loss Also Covered Under Prior Insurance Issued by Us.

If any loss is covered partly by this insurance, and partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you (or any predecessor in interest): the most we will pay is the larger amount recoverable under this insurance or the prior insurance.

I. Multiple *Insureds*

1. If more than one *insured* is named in the Declarations, the *first named insured* will act for itself and for every other *insured* for all purposes of this insurance. If the *first named insured* ceases to be covered, then the next *named insured* will become the *first named insured*.
2. If any *insured*, or partner or officer of the *insured*, has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every *insured*.
3. An *employee* of any *insured* is considered to be an *employee* of every *insured*.
4. If this insurance or any of its coverages is cancelled or terminated as to any *insured*, loss sustained by that *insured* is covered only if discovered no later than one year from the date of that cancellation or termination.
5. Regardless of the number of *insureds*, the most *we* will pay for all loss sustained by more than one *insured* is the amount *we* will pay if all the loss had been sustained by one *insured*.

J. Non-Cumulation of Limits

Regardless of the number of years this insurance remains in force or the number of premiums paid, the Limits of Insurance do not cumulate from year to year or period to period.

K. Policy Term / Coverage Period

Condition 11 of the General Conditions is amended as follows:

Except as covered under the Loss Sustained Under Prior Insurance Condition above, *we* cover loss that *you* sustain because of acts committed or events occurring during the policy term.

L. Recoveries

Paragraph I of the How Losses Are Settled Condition is replaced by the following:

1. In the event *we* make a payment for loss and a subsequent recovery is made, such recovery (less the cost of making the recovery) will be distributed:
 - To *you*, until *you* are reimbursed for any loss that *you* sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;

- Then to *us*, until *we* are reimbursed for the settlement made;
- Then to *you*, until *you* are reimbursed for that part of the loss equal to the Deductible Amount if any.

2. Recoveries do not include any recovery:

- From indemnity, insurance, reinsurance, security or suretyship taken for *our* benefit.
- Of original *securities* after duplicates of them have been issued.

ADDITIONAL DEFINITIONS

A. *Covered Instruments* means checks, drafts, promissory notes or similar written directions, order, or promises to pay a sum certain in *money* that are:

- Made or drawn up by *you*;
- Drawn upon *you*;
- Made or drawn by one acting as *your* agent; or
- Purported to have been so made or drawn.

B. *Employee* means any person:

- a. Who performs services for *you* (and for 30 days after termination of such) whom *you* compensate directly by salary, wages, or commissions and whom *you* have the right to direct and control while performing the services.
- b. Employed by an employment contractor while that person is performing services for *you* and is subject to *your* direction and control. But, this does not include any such person while having care and custody of property outside the premises.

Employee does not include any:

- Agent, broker, commission merchant, consignee, factor, independent contractor or representative of the same general character; or
- Director or trustee except while acting within the scope of the usual duties of an *employee*.

C. *Occurrence* means all loss caused by any person, or in which such person is involved, whether such loss involves one or more *covered instruments*.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

RELIGIOUS INSTITUTIONS EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

RELIGIOUS INSTITUTIONS POLICY

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

PART I A • MAIN PROPERTY COVERAGES – AMENDMENTS

COVERAGE C • LOSS OF INCOME RESULTING FROM *DIRECT COVERED LOSS*

For the purposes of the coverage provided by Fire and Security Alarm System Upgrade Coverage included in this endorsement, the following is amended:

B. Coverage Period

- (2) Promptly repair, restore, or replace that part of the property subject to the *direct covered loss*, including the reasonable period necessary to repair or replace damaged covered property with a *fire alarm system upgrade* or a *security alarm system upgrade*.

COVERAGE D • *MONEY AND SECURITIES*

The following is added to *Money and Securities*:

The otherwise applicable limit for loss to *money* is increased to 2 times the amount shown in the Declarations or Supplemental Declarations for ecclesiastical holidays as defined by the denomination. This increased coverage applies for the period of time starting 7 calendar days immediately preceding and ending 7 calendar days immediately following each ecclesiastical holiday.

PART I B • SUPPLEMENTAL COVERAGES – AMENDMENTS

Supplemental Coverages is amended as follows:

PROPERTY COVERAGE EXTENSIONS

Off Premises Coverage

With respect to personal property covered under this policy (including any covered within the definition of or by extension of Coverage A), premises coverage applies to *covered loss* that takes place outdoors within 1,000 feet of the described premises.

ARSON/FRAUD REWARD

The most *we* will pay under this special provision is \$20,000.

EMERGENCY REMOVAL COVERAGE

This extension applies for up to 75 consecutive days from the date such removal begins.

PART I B • SUPPLEMENTAL COVERAGES – ADDITIONS

The following is added to Part I B – Supplemental Coverages:

FIRE AND SECURITY ALARM SYSTEM UPGRADE COVERAGE

- A. In the event of a direct physical loss or damage to the fire alarm or security alarm systems within a covered building at the premises described in the Declarations, *we* will, at *your* option, pay for the reasonable additional costs *you* incur to upgrade such fire alarm or security alarm systems with alternative systems that qualify as a *fire alarm system upgrade* or a *security alarm system upgrade*. The direct physical loss or damage must result from a *covered loss*.
- B. *We* will pay for a *fire alarm system upgrade* or a *security alarm system upgrade* under this Supplemental Coverage only if such a *fire alarm system upgrade* or a *security alarm system upgrade* is commercially available.
- C. Under this Supplemental Coverage, the most *we* will pay in any one *occurrence* is 25% of the amount *we* would otherwise pay for the direct physical loss or damage to that part of the fire alarm or security alarm system being upgraded (prior to the application of any deductible that applies), not to exceed the applicable limit shown in the Declarations or Supplemental Declarations.
- D. Losses Not Insured
- This supplemental coverage does not apply to:
- (1) A *fire alarm system upgrade* or *security alarm system upgrade* in any of the following property:
- New buildings under construction and buildings *you* acquire but have not reported to *us*;
 - Property leased to, or rented to, *you*; or

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- (2) Covered property not insured on a replacement cost basis;
- (3) The enforcement of any ordinance or law:
 - a. Regulating the construction, use or repair of any property; or
 - b. Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion of the enforcement of any ordinance or law applies whether the loss results from:

- 1. An ordinance or law that is enforced even if the property has not been damaged; or
- 2. The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

E. Glossary – specific to Fire and Security Alarm System Upgrade Coverage

Fire Alarm System Upgrade

Fire alarm system upgrade means the replacement of an existing fire alarm system with one of the following:

- (1) A system which sounds in multiple sections of the covered building or structure, if the existing system sounds in only one section of the building or structure;
- (2) A system which is automatically activated, if the existing system is manually activated; or
- (3) A system which includes verbal instructions for exiting the covered building or structure, if the existing system includes audible or visual alarms but no verbal instructions.

Security Alarm System Upgrade

Security alarm system upgrade means the replacement of an existing security alarm system with one of the following:

- (1) A system which is triggered in additional sections of a covered building or structure beyond the current number of sections of the building or structure in which the current system is triggered; or
- (2) A system which sounds an alarm to a monitored system in which authorities are promptly dispatched, if the existing system sounds only a local audible alarm.

The following is added to Part I B – Supplemental Coverages:

KEY PERSON REPLACEMENT EXPENSES

- A. *We will reimburse you for key person replacement expenses that you incur during the recruitment period if a key person suffers a key person accident. The most we will pay for all key person replacement expenses during any one policy period is the applicable limit shown in the Declarations or Supplemental Declarations. The policy period under which key person replacement expenses will be paid shall be determined by the policy that is in effect when the key person accident occurred.*

A complete accounting of key person replacement expenses must be provided upon our request, including receipts for all expenses that you incur. The complete accounting of all key person replacement expenses must be reported to us within one year after the date of the key person accident.

- B. *Our obligations under Paragraph A immediately above shall apply only if the key person maintained an average of at least thirty (30) hours of work per week for a minimum of ninety (90) consecutive days of employment by you, immediately prior to the date the key person accident occurred.*

C. Glossary – specific to Key Person Replacement Expenses

Key Person

Key person means your:

- (1) Senior Pastor, or a person holding a position of equal responsibility and authority to that of a Senior Pastor; or
- (2) Executive Pastor.

Key person does not include any person that has been terminated by you for any reason, has voluntarily resigned or has retired.

Key Person Accident

Key person accident means, and is limited to, the death of a key person where the death of the key person results from an accidental injury arising out of and in the course of that person's employment or duties for you, provided the injury occurs within the policy period and the resulting death occurs no later than 180 days following the end of the policy period.

A key person accident does not include the loss of life caused by or resulting from:

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- (1) War, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution;
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused;
- (3) Suicide, attempted suicide or intentional self inflicted injury or illness;

Key Person Replacement Expenses

Key person replacement expenses means the actual, reasonable and necessary expenses that *you* would not have incurred had there been no *key person accident* and must be directly related to the recruitment and replacement of a *key person*.

Key person replacement expenses shall be limited to:

- (1) The costs of advertising the opening of the employment position;
- (2) Travel, lodging, meals and car rental expenses incurred in interviewing job applicants for the open employment position; and
- (3) Extra expenses incurred in finding or interviewing job applicants, including overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up employment contracts.

Recruitment Period

Recruitment period means the period of time that:

- (1) Begins on the date that the *key person* suffers a loss of life resulting from a *key person accident*; and
- (2) Ends on the earlier of:
 - a. Thirty (30) days after a replacement individual is hired or should have been acquired with reasonable speed and diligence; or
 - b. 180 consecutive days following the date that the *key person* suffers a loss of life resulting from a *key person accident*.

The *recruitment period* is not limited by the expiration date of this policy.

NON-OWNED DETACHED TRAILERS

- A. Coverage B is extended to cover loss to trailers that *you* do not own, provided that:
 - (1) The trailer is used in *your* business;
 - (2) The trailer is in *your* care, custody or control at the premises described in the Declarations; and

- (3) *You* have a contractual responsibility to pay for loss or damage to the trailer.

B. *We* will not pay for any loss or damage that occurs:

- (1) While the trailer is attached to any motorized land vehicle, whether or not the motorized land vehicle is in motion;
- (2) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motorized land vehicle.

The most *we* will pay under this special provision is the applicable limit shown in the Declarations or Supplemental Declarations.

This insurance is excess over the amount due (whether *you* can collect on it or not) from any other insurance covering such property.

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NAMED INSURED PROPERTY DEDUCTIBLE

This endorsement amends the property deductible provisions to apply on a per named insured, per occurrence, basis.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

How Losses are Settled — Deductible is replaced by the following:

We are liable for the amount of the loss in any one occurrence in excess of the deductible amount shown in the Declarations. The deductible amount shown applies separately to each named insured listed in the Declarations or elsewhere in this policy. The deductible does not apply to Coverage C.



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IDENTITY RECOVERY COVERAGE – PART I (RELIGIOUS INSTITUTIONS)

This endorsement extends Part I to provide identity recovery coverage. The required information may be shown in this endorsement or elsewhere in this policy.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

(1) ADDITIONAL POLICY PROVISIONS

Identity Recovery Coverage provides reimbursement of specified legal expenses, but such coverage is subject to the Identity Recovery Coverage limit shown in the Declarations or Supplemental Declarations. Under Identity Recovery Coverage, *we* do not have a duty to defend the *insured* from claims or suits. The limit and deductible applicable to Identity Recovery Coverage are separate from and in addition to the limits and deductibles that apply to *your* Religious Institutions coverage. The Common Policy Conditions apply to coverage under this Identity Recovery Coverage.

A. IDENTITY RECOVERY COVERAGE

We will provide the Identity Theft Resolution Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

- (1) There has been an *identity theft* involving the personal identity of an *identity recovery insured* under this policy; and
- (2) Such *identity theft* is first discovered by the *identity recovery insured* during the policy period for which this *identity theft expense* coverage is applicable; and
- (3) Such *identity theft* is reported to *us* within 60 days after it is first discovered by the *identity recovery insured*.

If all three of the requirements listed above have been met, then *we* will provide the following to the *identity recovery insured*:

- (1) Identity Theft Resolution Service
Services of an *identity theft resolution specialist* as needed to respond to the *identity theft*; and
- (2) Expense Reimbursement
Reimbursement of necessary and reasonable *identity theft expenses* incurred as a direct result of the *identity theft*.

This coverage is additional insurance.

B. PART I F • LOSSES NOT INSURED

The following additional exclusions apply to this coverage:

We do not cover:

- (1) *Identity theft expenses* incurred to restore a professional or business entity.
- (2) *Identity theft expenses* incurred due to any fraudulent, dishonest or criminal act by an *identity recovery insured* or any person aiding or abetting an *identity recovery insured*, or by any authorized representative of an *identity*

recovery insured, whether acting alone or in collusion with others.

- (3) Loss other than *identity theft expenses*.
- (4) *Identity theft expenses* arising from any *identity theft* by or with the knowledge of any relative or former relative of the *identity recovery insured*.
- (5) Loss arising from an *identity theft* that is first discovered by the *identity recovery insured* prior to the policy period or after the policy period, whether or not such *identity theft* began or continued during the policy period.
- (6) Loss arising from an *identity theft* that is not reported to *us* within 60 days after it is first discovered by the *identity recovery insured*.
- (7) Loss arising from an *identity theft* that is not reported in writing to the police.

C. PART I G • SPECIAL PART I CONDITIONS**(1) The *Insured's* Duties After Loss**

With respect to Identity Recovery Coverage, the following is added to the DUTIES WHEN LOSS / DANGER OF LOSS OCCURS:

At *our* request the *insured* must show receipts, bills, and other records that prove *identity theft expenses* incurred, in support of the claim, and permit copies to be made of them within 60 days after *our* request.

(2) Limits of Liability

With respect to Identity Recovery Coverage, the following is added to the HOW LOSSES ARE SETTLED:

Identity Theft Resolution Service is available as needed for any one *identity theft* for up to 12 consecutive months from the inception of the service. Expenses *we* incur to provide Identity Theft Resolution Service does not reduce the amount of limit available for Expense Reimbursement Coverage.

Expense Reimbursement Coverage is subject to the limit shown in the Declarations or Supplemental Declarations per *identity recovery insured*. Regardless of the number of claims, this limit is the most *we* will pay for the total of all loss or expense arising out of all *identity thefts* to any one *identity recovery insured* which are first discovered by the *identity recovery insured* during a 12-month period starting with the beginning of the present annual policy period. If an *identity theft* is first discovered in one policy period and continues into other policy periods, all loss

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and expense arising from such *identity theft* will be subject to the aggregate limit applicable to the policy period when the *identity theft* was first discovered.

Legal costs as provided under item d. of the definition of *identity theft expenses* are part of, and not in addition to the Expense Reimbursement Coverage limit.

(3) Deductible

With respect to Identity Recovery Coverage, the following is added to the HOW LOSSES ARE SETTLED:

Identity Theft Resolution Service is not subject to a deductible.

Expense Reimbursement Coverage is subject to a deductible of \$250. Any one *identity recovery insured* shall be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

(4) Additional Conditions

With respect to Identity Recovery Coverage, the following is added to the OTHER SPECIAL CONDITIONS:

a. Assistance and Claims

For assistance, the *identity recovery insured* should call Mercer Insurance Group at 1-800-223-0534.

Mercer Insurance Group can provide the *identity recovery insured* with:

- i. One-on-one victim advocacy, premier *identity theft* education, and proactive services;
- ii. Access to *our* educational website: www.mercerinsidentitytheft.com for more information on the risks of *identity theft*, including tips, articles, FAQs and ongoing threat alerts regarding the latest scams; and
- iii. Access to an *identity theft resolution specialist* who will work with the *identity recovery insured* to help them restore their identity.

b. Computer Security

It is the responsibility of each *identity recovery insured* to use and maintain his or her computer system security, including personal firewalls, anti-virus software and proper disposal of used hard drives.

c. Services

The following conditions apply as respects any services provided by *us* or *our* designees to any *identity recovery insured* under this endorsement:

- i. *Our* ability to provide helpful services in the event of an *identity theft* depends on the cooperation, permission and assistance of the *identity recovery insured*.

- ii. *We* do not warrant or guarantee that *our* services will end or eliminate all problems associated with an *identity theft* or prevent future *identity thefts*.

D. GLOSSARY

The following definitions apply to the coverage provided by this endorsement:

- (1) *Identity Theft Resolution Specialist* means one or more individuals assigned by *us* to assist an *identity recovery insured* with communications *we* deem necessary for re-establishing the integrity of the personal identity of the *identity recovery insured*. This includes, with the permission and cooperation of the *identity recovery insured*, written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
- (2) *Identity Theft* means the fraudulent use of the social security number or other method of identifying an *identity recovery insured*. This includes fraudulently using the personal identity of an *identity recovery insured* to establish credit accounts, secure loans, enter into contracts or commit crimes. *Identity theft* does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity. *Identity theft* does not include the unauthorized use of a valid credit card, credit account or bank account. However, *identity theft* does not include the fraudulent alteration of account profile information, such as the address to which statements are sent.
- (3) *Identity Theft Expenses* means the following when they are reasonable and necessary expenses that are incurred in the United States or Canada as a direct result of an *identity theft*:
 - a. Costs for re-filing applications for loans, grants, or other credit instruments that are rejected solely as a result of an *identity theft*.
 - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of *your* efforts to report an *identity theft* or amend or rectify records as to *your* true name or identity as a result of an *identity theft*.
 - c. Costs for up to six credit reports from established credit bureaus (with no more than two reports from any one credit bureau) dated within 12 months after *your* knowledge or discovery of an *identity theft*.
 - d. Fees and expenses for an attorney appointed by *us* for:

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- i. Defending any civil suit brought against an *identity recovery insured* by a creditor or collection agency or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as a result of an *identity theft*; and
 - ii. Removing any civil judgment wrongfully entered against an *identity recovery insured* as a result of the *identity theft*.
- (4) *Identity Recovery Insured* means the following:
- a. When the entity insured under this policy is a religious institution, or an affiliated school or camp, the *identity recovery insureds* are:
 - i. All clergy employed by such entity; and
 - ii. The religious institution business administrator, the head school administrator, or camp director of such entity.
 - b. *Identity recovery insured* also includes residents of the household of anyone qualifying as an identity recovery insured under Section a. above, provided such individuals are:
 - i. Relatives of the person qualifying as an *identity recovery insured* under Section a. above; or
 - ii. Under the age of 21 and in the care of the person qualifying as an *identity recovery insured* under Section a. above.

An *identity recovery insured* must always be an individual person. The entity insured under this policy is not an *identity recovery insured*.

All other provisions of this policy apply.

MMR 422 12 05

Extended Replacement Cost Coverage Part I

This endorsement provides an additional limited amount of insurance when the total amount of loss exceeds the limit of liability listed in the declarations.

The provisions of this endorsement apply only when the endorsement is listed in the Declarations. Except as provided below, all other provisions in the policy are unchanged.

Part 1G Special Part I Conditions, item 2.C.5, is added:

In the event of a covered loss applicable to Coverage A or Coverage B in the policy, we agree to increase the limit of liability by 25%. This percentage is applied to the limit of liability stated in the Declarations for Coverage A or B in accordance with the policy provisions. No other coverages, supplemental coverages or limits are affected by this extension.

MMP 116 09 09

EARTHQUAKE COVERAGE – OPTION 6 • PART I (SUB-LIMIT)

This endorsement establishes the provisions for Earthquake as an additional covered Cause of Loss. The required information may be shown below or elsewhere in this policy.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

Policy #REL6000006

SCHEDULE

Number*

Limit of Liability

Deductible

\$100,000 sub limit per risk

\$25,000

Aggregate Limit

\$4,000,000

“Including Masonry Veneer” Option

Yes

☐ No **XX**

*Item No. or Location/Bldg Nos. as Shown in the Declarations

COVERAGE MODIFICATION

Part I C Cause of Loss Options is extended to include Cause of Loss Option 6 covering the following:

- Earthquake
- Volcanic Activity, meaning the effusion, eruptions, or explosions of a volcano other than that described as included in Volcanic Eruption.

All Earthquake shocks or Volcanic Activity that take place within a continuous 168 hour period are considered a single occurrence and constitute a single loss.

Part I Common Exclusions 1. is deleted. However, if loss resulting from fire or explosion, due to earthquake and volcanic activity (including volcanic effusion, eruption or explosion), or theft (to the extent otherwise insured by this policy) ensues, we insure such resulting loss.

Endorsement MCP 119 under Part I C Cause of Loss Options – Option 6 Earthquake is amended to Endorsement MMP 116.

Unless MMP 519 is listed in the Declarations, MMP 116 does not apply to Sprinkler Leakage loss arising out of Earthquake or Volcanic Activity.

ADDITIONAL CONDITIONS

A. Aggregate / Total Limit

Our annual aggregate / total maximum limit payable under this coverage for all losses incurred is the aggregate limit of liability shown in the Schedule. This limit does not increase any limit of liability provided in this policy.

B. Deductible

The Deductible amount otherwise applicable to this policy is replaced by the Deductible listed above in connection with Earthquake or Volcanic Activity loss.

1. Coverage D

We are liable only for such *covered loss* that *you* incur after the first 168 consecutive hours following *direct covered loss* arising out of Earthquake or Volcanic Activity. But this coverage limitation applies only if the subject building is 5 or more stories in height.

C. Property Limitation

We do not cover loss to masonry veneer (except stucco) over wood frame. But this does not apply if less than 10% of the exterior of the subject building is masonry veneer or the "Including Masonry Veneer" option on this form is checked "Yes."

The value of such veneer is not used in connection with Coinsurance Condition I G. 2. E.

D. Time of Attachment

Coverage does not begin until 168 hours after the effective date of this endorsement, unless such is concurrent with the effective date of this policy.

MCL 187 04 07

LEAD/LEAD CONTAMINATION AND ASBESTOS EXCLUSIONS • PART II

This endorsement extends the exclusions to any occurrence or injury arising out of lead or asbestos as described.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL EXCLUSIONS - LEAD / LEAD CONTAMINATION AND ASBESTOS

Part II C is extended to include the following:

- A. *We do not cover bodily injury, property damage, advertising injury, personal injury, or medical payments resulting from or caused by lead or lead contamination arising out of any occurrence at your premises:*
 - 1. As to *bodily injury* and medical payments this includes such caused by or through:
 - a. Absorbing lead;
 - b. Chewing on, eating or otherwise ingesting lead; or
 - c. Inhaling lead.
 - 2. As to *property damage* this includes such caused by or through any sort of lead contamination or existence of lead in:
 - a. Air, ground, or water; or
 - b. Any part of the premises including, but not limited to, building materials and paint.
- B. *We do not cover bodily injury, property damage, advertising injury, personal injury, or medical payments resulting from or caused by the actual, alleged, or threatened exposure to asbestos, or the presence of asbestos in any place.*
- C. *We do not insure any cost, expense, liability or loss arising out of any of the following:*
 - 1. Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to *asbestos*, lead or lead contamination.
 - 2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to *asbestos*, lead or lead contamination.

Asbestos as used in these exclusions means the mineral in any form, including but not limited to fibers or dust.

MCL 205 06 05

KNOWLEDGE / NOTICE OF AN INJURY OR OCCURRENCE • PART II

This endorsement modifies the notice requirement in the duties of insureds condition.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL CONDITION

Paragraph A of the SPECIAL LIABILITY CONDITIONS - DUTIES OF *INSUREDS* is amended by adding the following:

Your agent's or employee's knowledge of an injury or occurrence does not in itself constitute knowledge by you, unless you receive notice of such from your agent or employee. Failure of any of your agents or employees to notify us of any injury or occurrence that such agent or employee has knowledge of does not invalidate this insurance for you.



MMR 400 11 07

RELIGIOUS COUNSELING LIABILITY • PART II

This endorsement extends liability coverage to religious counseling activities.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

COVERAGE MODIFICATION**A. Coverage**

We pay for the benefit of insureds, up to the applicable limit(s) of liability shown for this coverage, those sums that insureds become legally liable to pay as damages because of injury arising out of any negligent act, error or omission by an insured in religious counseling activities which are within the scope of such insured's duties as a religious counselor for you.

Such act, error or omission must:

1. Occur during the policy term; and
2. Prior to the policy term, no insured or no employee authorized by you to give or receive notice of a claim or occurrence, knew that the error or omission had occurred in whole or in part. If any insured or authorized employee knew, prior to the policy term, that the error or omission occurred, then any change in, continuation of, or resumption of such error or omission during or after the policy term will be deemed to have been known prior to the policy term.

Any error or omission which occurs during the policy term, provided no insured or employee authorized by you to give or receive notice of a claim or occurrence knew, prior to the policy term, that such error or omission had occurred, includes any change in, continuation of, or resumption of that error or omission after the end of the policy term.

Any error or omission will be deemed to have been known to have occurred at the earliest time when any insured or any employee authorized by you to give or receive notice of a claim or occurrence:

1. Reports all, or any part, of the error or omission to us or any other insurer;
2. Receives a written or verbal demand, claim or suit for damages because of the error or omission; or
3. Becomes aware of anything that indicates that any error or omission has occurred or is occurring

B. Defense in Connection with Religious Counseling Liability

Defense is provided in connection with this coverage in accordance with the defense provisions described under Supplemental Coverage 1 in Part II B.

C. Liability Not Insured

The Exclusions in Part II C, other than Exclusion 5, do not apply to this coverage. The following exclusions apply instead.

We do not provide insurance for any sort of damages or liability directly or indirectly, wholly or partially, aggravated by, caused by, or resulting from any of the following:

1. Any criminal, dishonest, fraudulent or malicious act or omission of any insured.
2. The loading or unloading, loaning, maintenance, operation, renting, use or entrustment to others (whether supervised or not) of any aircraft, automobile or watercraft operated or owned by, or loaned or rented to, any insured.
3. Injury arising out of:
 - False arrest, detention or imprisonment; malicious prosecution.
 - Oral or written publication of material that: slanders or libels a person or organization; disparages a person's or organization's goods, products, or services.
 - Oral or written publication of material that violates a person's rights of privacy.
 - Wrongful entry, eviction or invasion of the right of private occupancy.
4. Bodily injury or property damage other than such directly resulting from religious counseling activities.

5. Acts, errors or omissions of any *insured* as a board member, executive officer, proprietor, or superintendent of any hospital, laboratory, medical clinic with bed and board facilities, or sanitarium.
6. Acts, errors or omissions of any *insured* arising out of any business, employment, profession or trade other than that of a *religious counselor* for *you*.
7. The rendering of dental, medical, nursing, surgical, or x-ray treatments or the furnishing of food or beverages in connection with any such treatment; the dispensing, furnishing, prescription or utilization of drugs or dental, medical, nursing or surgical appliances or supplies.
8. *Bodily injury, property damage, personal injury, or advertising liability* for any newly acquired organization for acts that occurred before *you* acquired that organization.
9. Assault and battery by or at the direction of any *insured* other than the use of reasonable force to protect persons or property.
10. *Bodily injury, property damage, advertising injury, or personal injury*, including sickness or disease, death, mental anguish, physical or mental abuse or emotional distress arising out of any *act of Sexual Misconduct*.

is the limit shown in the Declarations or Declarations Supplement.

The Other Insurance Common Condition is extended as follows:

This insurance is excess insurance over any other valid and collectible insurance or agreement of indemnity available to the *insured*.

ADDITIONAL DEFINITIONS

Religious Counseling / Religious Counselor
Religious counseling refers to counseling activities provided by *you*.

This does not include:

- Service for which a fee is charged.
 However, if MMR 516 is listed in the Declarations, services for which a fee is charged are not excluded.
- Activities related to or arising out of scholastic instruction.

ADDITIONAL CONDITIONS

The Limits of Liability Condition in Part II D is extended to include the following:

A. General Coverage Limit

Our maximum limit of liability payable under *Religious Counseling* Professional Liability Coverage for all injuries sustained by one person is the limit shown in the Declarations or Declarations Supplement.

All claims arising from a single negligent act, error or omission or a series of related negligent acts, errors or omissions shall be considered as a single injury.

B. Aggregate / Total Limit

Our aggregate / total maximum limit of liability payable under *Religious Counseling* Professional Liability Coverage for all damages

MMR 411 12 05

DIRECTORS' AND OFFICERS' LIABILITY • PART II (CLAIMS-MADE FORM)*This endorsement extends liability coverage for directors and officers.*

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.
 Except as provided below, all other provisions in this policy are unchanged.

COVERAGE MODIFICATION**A. Application of This Insurance**

This insurance applies only to claims for damages due to *wrongful acts or omissions*. The claim must first be made against the *insured* during the coverage period.

Claims are deemed to have been made when notice is first received and recorded by any *insured* or *us*.

The term "Declarations" includes any Supplemental Declarations.

B. Coverage

1. *We* pay for the benefit of *insureds*, up to the applicable limit(s) of liability shown for this coverage, those sums that *insureds* become legally liable to pay as damages because of *wrongful acts or omissions* by the *directors and officers*, individually or collectively, in their capacity as such.

2. Insuring Agreement Qualification.

This insurance is on a "claims-made" basis. Coverage does not apply to damages due to wrongful acts or omissions that occur:

- Prior to the Retroactive Date shown on the Declarations; or
- After the expiration of the policy.

C. Defense in Connection with *Directors' and Officers' Liability*

Defense is provided in connection with this coverage in accordance with the defense provisions described under Supplemental Coverage 1 in Part II B.

D. Liability Not Insured

The Exclusions in Part II C do not apply to this coverage. The following exclusions apply instead. *We* do not provide insurance for any sort of damages or liability directly or indirectly, wholly or partially, aggravated by, caused by, or resulting from any of the following:

1. *Bodily injury, property damage, advertising injury, personal injury, religious counseling professional liability, or other counseling sanctioned or provided by the insured.*
2. Any criminal, dishonest, fraudulent or malicious act or omission.
3. Any fines or penalties imposed by law.
4. Any activity in a fiduciary capacity in connection with an employee benefits plan.

5. Any transaction from which *directors and officers* gained any personal advantage, profits or remuneration to which they were not legally entitled.
6. Any profits or losses, including an accounting of such, resulting from the purchase or sale of any security.
7. Discrimination on account of age, race, religion or sex; or the violation of any civil rights law.
8. Failure to effect or maintain proper insurance or bond.

ADDITIONAL CONDITIONS**A. Extended Reporting Period**

1. This condition applies only if:

- a. This Coverage Form is cancelled or not renewed for any reason other than nonpayment of the premium;
- b. *We* renew or replace this Coverage Form with other insurance that:
 - Provides claims-made coverage; and
 - Has a Retroactive Date later than the one shown in this endorsement's schedule; or
- c. *We* replace this endorsement with other insurance that applies on other than a claims-made basis.

2. If the Extended Reporting Period applies, coverage is amended as follows:

- A claim made within twelve months after the policy period ends will be considered to have been made on the last day of the policy period, provided the claim is for damages caused by a *wrongful act or omission* that occurred before the end of the policy period (but not before the Retroactive Date).
- The policy period ends on the date shown in the Declarations or this endorsement's schedule, or on the effective date of any cancellation of this endorsement, whichever is earlier. The Extended Reporting Period Condition will not reinstate or increase the Limit of Liability, or extend the policy period.

- The insurance provided by the Extended Reporting Period Condition will be excess over any other valid and collectible insurance available to the *insured*, whether primary, excess, contingent, or on any basis, whose policy period begins or continues after the Extended Reporting Period takes effect.

All other terms and conditions of this endorsement remain unchanged.

B. The Limits of Liability Condition in Part II D is extended to include the following:

1. General Coverage Limit

Our maximum limit of liability payable under *Directors' and Officers' Liability Coverage* for all damages claimed by one person is the General Coverage limit shown in the Declarations.

All claims arising from a single *wrongful act or omission* or a series of related *wrongful acts or omissions* shall be considered as a single claim.

2. Aggregate / Total Limit

Our aggregate / total limit of liability payable under *Directors' and Officers' Liability Coverage* for all damages is the Aggregate limit shown in the Declarations.

C. The Other Insurance Common Condition is extended as follows:

This insurance is excess insurance over any other valid and collectible insurance or agreement of indemnity available to the *directors and officers*.

GLOSSARY

The following special definitions apply to this coverage:

Directors and officers means: all persons who were, now are, or shall be: directors, officers, trustees, or members of an official board of governors, including elected or appointed church boards, councils, or a similar governing body, while acting within the scope of their duties as such; or any person designated by *you* as an officer, director, trustee or member of an official board of governors or a similar governing body of a subsidiary or affiliate not-for-profit organization, while acting on *your* behalf.

Directors and officers also includes the business administrator and pastor, minister, rabbi or equivalent religious leader, while acting on *your* behalf.

Wrongful act or omission means any actual or alleged act, error, misstatement, misleading statement, omission or breach of duty by the *directors and officers* in the discharge of their duties, while acting on *your* behalf.

MMR 413 12 05

TEACHING ERRORS OR OMISSIONS • PART II

This endorsement extends liability coverage to errors or omissions arising out of teaching activities.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

COVERAGE MODIFICATION**A. Coverage**

We pay for the benefit of insureds, up to the applicable occurrence limit shown in the Declarations, those sums that insureds become legally liable to pay as damages because of injury arising out of any error or omission by an insured in teaching activities which are within the scope of such insured's duties as a teacher for you.

Such error or omission must:

1. Occur during the policy term; and
2. Prior to the policy term, no insured or no employee authorized by you to give or receive notice of a claim or occurrence, knew that the error or omission had occurred in whole or in part. If any insured or authorized employee knew, prior to the policy term, that the error or omission occurred, then any change in, continuation of, or resumption of such error or omission during or after the policy term will be deemed to have been known prior to the policy term.

Any error or omission which occurs during the policy term, provided no insured or employee authorized by you to give or receive notice of a claim or occurrence knew, prior to the policy term, that such error or omission had occurred, includes any change in, continuation of, or resumption of that error or omission after the end of the policy term.

Any error or omission will be deemed to have been known to have occurred at the earliest time when any insured or any employee authorized by you to give or receive notice of a claim or occurrence:

1. Reports all, or any part, of the error or omission to us or any other insurer;
2. Receives a written or verbal demand, claim or suit for damages because of the error or omission; or
3. Becomes aware of anything that indicates that any error or omission has occurred or is occurring.

B. Defense in Connection with Teaching Liability

Defense coverage is provided in connection with this endorsement in accordance with the defense provisions described under Supplemental Coverage 1 in Part II B.

C. Liability Not Insured

The Exclusions in Part II C, other than Exclusion 5, do not apply to this endorsement. The following exclusions apply instead.

We do not provide insurance for any sort of damages or liability directly or indirectly, wholly or partially, aggravated by, consisting of, caused by, or resulting from any of the following:

1. Any criminal, dishonest, fraudulent or malicious act or omissions of any insureds.
2. The loading or unloading, loaning, maintenance, operation, renting, use or entrustment to others (whether supervised or not) of any aircraft, automobile or watercraft operated or owned by, or loaned or rented to, any insured.
3. Injury arising out of:
 - False arrest, detention or imprisonment, malicious prosecution.
 - Oral or written publication of material that: slanders or libels a person or organization; disparages a person's or organization's goods, products, or services.
 - Oral or written publication of material that violates a person's rights of privacy.
 - Wrongful entry, eviction, or invasion of the right of private occupancy.
4. Bodily injury or property damage other than such directly resulting from errors or omissions in teaching activities.
5. Acts, errors or omissions of any insureds as a board member, executive officer, proprietor, or superintendent of any hospital, laboratory,

medical clinic with bed and board facilities, or sanitarium.

6. Acts, errors or omissions of any *insured* arising out of any business, employment, profession or trade other than that of a *teacher* for *you*.
7. The rendering of dental, medical, nursing, surgical or x-ray treatments or the furnishing of food or beverages in connection with any such treatment; the dispensing, furnishing, prescription or utilization of drugs or dental, medical, nursing or surgical appliances or supplies.
8. *Bodily injury, property damage, personal injury, or advertising liability* for any newly acquired organization for acts that occurred before *you* acquired that organization.
9. Assault and battery by or at the direction of any *insured* other than in the act of self-defense.
10. Sexual misconduct, sexual behavior or sexual acts.

ADDITIONAL CONDITIONS

The Limits of Liability Condition in Part II D is extended to include the following:

A. General Coverage Limit

Our maximum limit of liability payable under *Teaching* Errors or Omissions Coverage for all injuries sustained by one person is the *occurrence* limit shown in the Declarations.

All claims arising from a single error or omission or a series of related errors or omissions shall be considered as a single injury.

B. Aggregate/Total Limit

Our aggregate/total maximum limit of liability payable under *Teaching* Liability Coverage for all damages is the *General Aggregate/Total Limit* shown in the Declarations.

The Other Insurance Common conditions is extended as follows:

This insurance is excess insurance over any other valid and collectible insurance or agreement of indemnity available to the *insured*.

ADDITIONAL DEFINITIONS

Teaching/Teacher

Teaching refers to teaching activities provided by *you*.

This does not include:

- Services for which a fee is charged per event or meeting.
- Activities related to, or arising out of, or instructions for the use of trampolines, saddle animals, *automobiles*, watercraft or aircraft.

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Employment Practices Liability Coverage – Claims Made*This endorsement provides coverage for certain claims arising out of your employment-related practices.**The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions of this policy are unchanged.***A. COVERAGE**

1. *We will pay those sums the insured becomes legally obligated to pay as damages resulting from an injury to which this insurance applies. We will have the right and duty to defend the insured against any suit seeking those damages. However, we will have no duty to defend the insured against any suit seeking damages because of an injury to which this insurance does not apply. We may at our discretion, investigate any incident that may result in injury. But:*
 - a. *The amount we will pay for damages and defense expenses is limited as described in Limits of Insurance;*
 - b. *The coverage and duty to defend provided by this coverage form will end when we have used up the applicable limit of insurance for defense expenses or the payment of judgments or settlements.*

No other obligation or liability to pay sums, such as civil or criminal fines, imposed on you or any other insured, or to perform acts or services is covered unless explicitly provided for under Supplementary Payments.

2. *This insurance applies to injury only if:*
 - a. *The injury is caused by your employment-related practices that take place in the coverage territory;*
 - b. *The injury did not commence before the Retroactive Date, if any, shown in the Supplemental Declarations or after the end of the policy period; and*
 - c. *A claim because of the injury is first made against any insured, in accordance with paragraph 3. below, during the policy period or the Extended Reporting Period, if provided.*

3. *A claim will be deemed to have been made at the earlier of the following times:*

- a. *When notice of such claim is received by any insured and reported to us in writing; or*
- b. *When a claim against an insured is made directly to us in writing.*

A claim received by the insured during the policy period and reported to us within 90 days after the end of the policy period will be considered to have been reported within the policy period. However, this 90 day grace period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

4. *All claims arising out of an injury to the same person, including damages claimed by any person for care, loss of services or death resulting at any time from the injury, will be deemed to have been made at the time the first of such claims is made, regardless of the number of claims subsequently made.*

B. LIABILITY NOT INSURED

This insurance does not apply to:

1. *Liability arising out of an insured's criminal, fraudulent or malicious acts or omissions, or arising out of an insured's instruction, direction, or approval given to another insured for such acts or omissions.*

This exclusion does not affect our duty to defend, in accordance with paragraph 1.a. above, the insured prior to determining, through the appropriate legal processes, that the insured is responsible for a criminal, fraudulent or malicious act or omission or has instructed, directed or provided

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approval for another *insured* to be responsible for such an act or omission.

2. *Injury* for which the *insured* is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the *insured* would have in the absence of the contract or agreement.
3. Any obligation of the *insured* under a workers compensation, disability benefits or unemployment compensation law or any similar law.
4. *Injury* arising out of *your* failure to comply with any of the accommodations for the disabled required of *you* by the Americans With Disabilities Act or any other similar federal, state or local statute, rule or regulation.
5. *Injury* arising out of a violation of *your* responsibilities or duties required by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Reconciliation Act of 1985, the Occupational Safety and Health Act and any rules or regulations promulgated therefor or amendments thereto or any federal, state or local statutes, rules or regulations.
6. *Injury* to any striking or locked-out *employee*, or to an *employee* who has been temporarily or permanently replaced in connection with any labor dispute.
7. Bodily *injury* (except for mental anguish and emotional distress) or property damage.
8. Liability of the *insured* who commits or knowingly allows a *sexual harassment* offense.

This exclusion does not affect *our* duty to defend the *insured* prior to determining, through the appropriate legal processes, that the *insured* has committed a *sexual harassment* offense, other than an assault or battery.
9. *Injury* arising out of termination of employment, job relocation or reassignment, if the action is taken because:
 - a. *You* have filed for bankruptcy protection, or *you* are placed in receivership or liquidation;
 - b. *You* have merged with or been acquired by another business entity;
 - c. *You* have closed an operation or a business location, in its entirety or in part; or
 - d. *Your* business location is partly closed or the size of the operation must be reduced because of fire or other disasters beyond *your* control.
10. *Injury* arising out of any act or omission of the *insured* if such act or omission is intended by the *insured* to cause *injury* to a person.
11. Liability arising out of an *insured's* retaliatory action against a person because the person has:
 - a. Declined to perform an illegal or unethical act;
 - b. Filed a complaint with a governmental authority or a *suit* against *you* or any other *insured* concerning *your employment-related practices*;
 - c. Testified against *you* or any other *insured* at a legal proceeding; or
 - d. Notified a proper authority of any aspect of *your* business operation which is illegal.
12. Punitive or exemplary damages.
13. *Injury* that arises out of:
 - a. An act of *sexual misconduct* or *sexual molestation*.
14. Any costs incurred by or imposed upon the *insured* in the course of complying with or implementing any equitable order or relief from any court or administrative agency.

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15. *Injury* arising out of any act or omission arising out of any collective bargaining agreement.

C. RETENTION

We will not pay for any *injury* until the amount of *injury* exceeds the retention shown in the Supplemental Declarations. *We* will then pay the amount of *injury* in excess of the retention, up to the applicable Limit of Insurance.

D. SUPPLEMENTARY PAYMENTS

We will pay, with respect to any *claim we* investigate or settle, or any *suit* against an *insured we* defend:

1. Prejudgment interest awarded against the *insured* on that part of the judgment *we* pay. If *we* make an offer to pay the applicable limit of insurance, *we* will not pay any prejudgment interest based on that period of time after the offer.
2. All interest on the full amount of any judgment that accrues after entry of the judgment and before *we* have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limits of Insurance.

E. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Supplemental Declarations and the rules below fix the most *we* will pay regardless of the number of:
 - a. *Insureds*;
 - b. *Claims* made or *suits* brought; and
 - c. Persons, organizations or government agencies making *claims* or bringing *suits*.
2. The Aggregate Limit is the most *we* will pay for the sum of:
 - a. All damages; and

- b. All *defense expenses*

because of *claims* first made against an *insured* during the policy period.

3. Subject to 2. above, the Per Person Limit is the most *we* will pay for the sum of all damages sustained by any one person and all related *defense expenses*.

The Limits of Insurance of this Coverage Form available at the time a *claim* is first made shall be the only limits available for such *claim*, regardless of the number of policy periods over which an *injury* took place.

Regardless of the period of time over which such acts occur or when damages are sustained, all acts by one person, or two or more persons acting together, or any breach of duty causing or contributing to such acts, will be considered one occurrence in determining our liability under this section.

F. CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the *insured* or of the *insured's* estate will not relieve *us* of *our* obligations under this Coverage Form.

2. Duties in the Event of a *Claim* or an Incident that may Result in *Injury*:

- a. If a *claim* is received by any *insured*, *you* must:

- (1) Immediately record the specifics of the *claim* and the date received; and
- (2) Notify *us*, in writing, as soon as practicable.

- b. *You* and any other involved *insured* must:

- (1) Immediately send *us* copies of any demands, notices, summonses or legal papers received in connection with the *claim*;

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- (2) Authorize *us* to obtain records and other information; and
- (3) Cooperate with *us* in the investigation or settlement of the *claim* or defense against the *suit*.
- (4) Assist *us*, upon *our* request, in the enforcement of any right against any person or organization which may be liable to the *insured* because of *injury* or damage to which this insurance may also apply.
- c. No *insured* will, except at that *insured's* own cost, voluntarily make a payment, assume any obligation, or incur any expense without our written consent.
- d. If *you* have knowledge of an incident which may result in *injury* and for which a *claim* has not yet been received, *you* must notify *us*, in writing, as soon as practicable.

3. Legal Action Against *Us*

No person or organization has a right under this Coverage Form:

- a. To join *us* as a party or otherwise bring *us* into a *suit* asking for damages from an *insured*; or
- b. To sue *us* on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue *us* to recover on an agreed settlement or on a final judgment against an *insured* obtained after an actual trial; but *we* will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by *us*, the *insured* and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the *insured* for a loss *we* cover, *our* obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, *our* obligations are not affected unless any of the other insurance is also primary. Then, *we* will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis.

When this insurance is excess, *we* will have no duty to defend the *insured* against any *suit* if any other insurer has a duty to defend the *insured* against that *suit*. If no other insurer defends, *we* will undertake to do so, but *we* will be entitled to the *insured's* rights against all those other insurers.

When this insurance is excess over other insurance, *we* will pay only *our* share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown on the Endorsement Schedule in the Declarations.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, *we* will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of

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insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, *we* will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. *We* will compute all premiums for this Coverage Form in accordance with *our* rules and rates.
- b. Premium shown in this Coverage Form as advance premium is a deposit premium only. At the close of each audit period *we* will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named *Insured*. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, *we* will return the excess to the first Named *Insured*.
- c. The first Named *Insured* must keep records of the information *we* need for premium computation, and send *us* copies at such times as *we* may request.

6. Representations

By accepting this policy, *you* agree;

- a. The statements in the supplemental application are accurate and complete;
- b. Those statements are based upon representations *you* made to *us*; and
- c. *We* have issued this policy in reliance upon *your* representations.

7. Separation of *Insureds*

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Form to the first Named *Insured*, this insurance applies:

- a. As if each Named *Insured* were the only Named *Insured*; and
- b. Separately to each *insured* against whom *claim* is made.

8. Transfer of Rights of Recovery Against Others To *Us*

If the *insured* has rights to recover all or part of any payment *we* have made under this Coverage Form, those rights are transferred to *us*. The *insured* must do nothing after loss to impair them. At *our* request, the *insured* will bring *suit* or transfer those rights to *us* and help *us* enforce them.

9. Transfer of Duties When Limit of Insurance is Used Up

- a. If *we* conclude that, based on *claims* which have been reported to *us* and to which this insurance may apply, the limit of insurance is likely to be used up in the payment of judgments or settlements for damages or the payment of *defense expenses*, *we* will notify the first Named *Insured*, in writing, to that effect.
- b. When the limit of insurance has actually been used up in the payment of judgments or settlements for damages and the payment of *defense expenses*, *we* will:
 - (1) Notify the first Named *Insured* in writing, as soon as practicable, that such a limit has actually been used up and that *our* duty to defend the *insured* against *suits* seeking damages subject to that limit has also ended;
 - (2) Initiate, and cooperate in, the transfer of control, to any appropriate *insured*, of all *suits* for which the duty to defend has ended for the reason described in b.(1) above and which are reported to *us* before that duty to defend ended; and
 - (3) Take such steps, as *we* deem appropriate, to avoid a default in, or continue the defense of, such *suits* until such transfer is completed, provided the

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appropriate *insured* is cooperating in completing such transfer.

- c. When b.(1) above has occurred, the first Named *Insured*, and any other *insured* involved in a *suit* seeking damages subject to that limit, must:
 - (1) Cooperate in the transfer of control of *suits*; and
 - (2) Arrange for the defense of such *suit* within such time period as agreed to between the appropriate *insured* and *us*. Absent any such agreement, arrangements for the defense of such *suit* must be made as soon as practicable.
- d. *We* will take no action with respect to defense for any *claim* if such *claim* is reported to *us* after the applicable limit of insurance has been used up. It becomes the responsibility of the first Named *Insured*, and any other *insured* involved in such a *claim*, to arrange defense for such *claim*.
- e. The first Named *Insured* will reimburse *us* as soon as practicable for expenses *we* incur in taking those steps *we* deem appropriate in accordance with paragraph b. above.
- f. The exhaustion of the applicable limit of insurance and the resulting end of *our* duty to defend will not be affected by *our* failure to comply with any of the provisions of this Condition.

10. Cancellation/Termination

If *we* decide to cancel or non-renew *your* policy, *we* will do so according to the General Condition-Cancellation/Termination described in the state mandatory endorsement.

If notice is mailed, proof of mailing will be sufficient proof of notice.

H. EXTENDED REPORTING PERIOD

- 1. An Extended Reporting Period will be offered if the policy is cancelled or non-

renewed for any reason other than non-payment of premium.

2. Extended Reporting Period

- a. An Extended Reporting Period of three years is available, but only by endorsement and for an additional charge.
- b. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of coverage provided. It applies only to *claims* for *injury* that occur before the end of the policy period but not before the Retroactive Date, if any, shown on the Supplemental Declarations.
- c. *You* must give *us* a written request for the Extended Reporting Period endorsement within thirty (30) days after the end of the policy period or the effective date of cancellation; whichever comes first.
- d. The Extended Reporting Period will not go into effect unless *you* pay the additional premium promptly when due and any premium *you* owe *us*,

Once in effect, the Extended Reporting Period may not be cancelled.

- e. When the Extended Reporting Period Endorsement is in effect, *we* will provide a Supplemental Aggregate Limit for any *claim* first made during the Extended Reporting Period.

The Supplemental Aggregate Limit will be equal to the dollar amount shown on the Endorsement Schedule in the Declarations in effect at the end of the policy period.

Paragraph 2. of Limits of Insurance will be amended accordingly. The Per Person Limit shown on the Endorsement Schedule in the Declarations will then continue to

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apply, set forth in paragraph 3. of this Section.

- f. *We* will determine the additional premium in accordance with *our* rules and rates. In doing so, *we* may take into account the following:

- (1) The exposures insured;
- (2) Previous types and amounts of insurance;
- (3) Limit of Insurance available under this Coverage Form for future payment of damages; and
- (4) Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage Form.

I. GLOSSARY

The following special definitions apply to this coverage:

1. *Claim* means a *suit* or demand made by or for the injured person for damages because of alleged *injury*.
2. *Coverage territory* means:
 - a. The United States of America (including its territories or possessions) and Puerto Rico; or
 - b. All parts of the world if the *insured's* responsibility to pay damages is determined in a *suit* on the merits which is brought in the territory described in a. above or a settlement we agree to.
3. *Defense expenses* means payments allocated to a specific *claim* we investigate, settle or defend, for its investigation, settlement or defense, including:
 - a. Fees and salaries of attorneys and paralegals *we* retain, including attorneys and paralegals who are *our* employees.
 - b. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired either by *us* or by the defense attorney retained by an *insured*.
 - c. Reasonable expenses incurred by the *insured* at *our* request to assist *us* in the investigation or defense of the *claim*, including actual loss of earnings up to \$250 a day because of time off from work.
 - d. Costs taxed against the *insured* in the *suit*.

Defense expenses does not include salaries and expenses of *our* employees or the *insured's* employees (other than those described in a. and c. above).
4. *Discrimination* means violation of a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or physical or mental condition.
5. *Employee* includes a *leased worker*. *Employee* does not include a *temporary worker*.
6. *Executive officer* means a person holding any of the officer positions created by *your* charter, constitution, by-laws or any other similar governing document.
7. *Injury* means *injury* to a person arising out of:
 - a. Refusal to employ the person, termination of the person's employment, including actual or constructive discharge, demotion, evaluation, reassignment, discipline, defamation or humiliation of the person based on *discrimination* or other unjust reasons directed at that person by an *insured*;
 - b. Coercion of the person by an *insured* to do something unlawful or unethical; or

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- c. *Sexual harassment* or other work-related verbal, physical, mental or emotional abuse directed at the person by an insured.
8. *Insured*
- a. If you are designated in the Declarations as:
 - (1) An individual, *you* and *your* spouse are *insureds*.
 - (2) A partnership or joint venture, *you* are an *insured*. *Your* partners or members are also *insureds*.
 - (3) A limited liability company, *you* are an *insured*. *Your* members and managers are also *insureds*.
 - (4) An organization other than a partnership, joint venture or limited liability company, *you* are an *insured*. *Your* executive officers and directors are also *insureds*.
 - b. Any of *your* other employees who hold managerial or supervisory positions are also *insureds*, but only with respect to such managerial or supervisory duties.
 - c. Any volunteer or member of the named *insured*, but only while acting within the scope of their duties as a volunteer or member, on behalf of the named *insured*, but only with respect to managerial or supervisory duties, and as properly authorized by the named *insured*, any officer or director or employee of the named *insured*.
- No person or organization is an *insured* with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named *Insured* in the Declarations.
9. *Leased worker* means a person leased to *you* by a labor leasing firm under an agreement between *you* and the labor leasing firm, to perform duties related to the conduct of *your* business. *Leased worker* does not include a *temporary worker*.
10. *Sexual harassment* means unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature when such conduct:
- a. Is linked implicitly or explicitly with a decision affecting a term or condition of an individual's employment;
 - b. Interferes with an individual's job performance; or
 - c. Creates an intimidating, hostile or offensive working environment for an individual.
11. *Sexual Misconduct* or *Sexual Molestation* is an activity which is sexual in nature whether permitted or unpermitted, including but not limited to, sexual assault, sexual battery, sexual relations, sexual acts, sexual activity, sexual handling, sexual massage, sexual exploitation, sexual exhibition, photographic, video or other reproduction of sexual activity, sexual stimulation, fondling, intimacy exposure of sexual organs, lewd or lascivious behavior or indecent exposure fornication, undue familiarity, or unauthorized touching.
12. *Suit* means a civil proceeding in which damages because of *injury* to which this insurance applies are alleged, including:
- a. An arbitration proceeding in which such damages are claimed and to which the *insured* must submit or does submit with *our* consent;
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the *insured* submits with *our* consent.
 - c. Any administrative proceeding or hearing conducted by a governmental agency (federal, state or local) having the proper legal authority over the matter of a personal complaint on *your* employment-related practices.

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13. *Temporary worker* means a person who is furnished to *you* to substitute for a permanent *employee* on leave or to meet seasonal or short-term workload conditions.

14. *We/Us/Our*

We, us, and our refer to the Insurance Company named in this policy.

15. *You/Your*

You and your refer to the *insureds* named in the Declarations and defined in this policy.

16. *Your employment-related practices* means:

- a. Any act or failure to act, by an *insured*, in connection with *your* business, or
- b. Any of *your* policies, or *your* failure to have a policy which directly or indirectly affects a person's employment status or condition with *you* or prospective employment by *you*.

MML 100 12 05

TRAMPOLINE EXCLUSION • PART II

This endorsement extends the policy exclusions to the use of a trampoline or similar device.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.
Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL EXCLUSIONS-TRAMPOLINES

Part II C is extended to include the following:

We do not insure bodily injury, property damage, personal injury or advertising injury arising out of the ownership, maintenance, or use of any trampoline or similar equipment used as a springboard or rebounding device.

MMR 421 12 05

Aggregate / Total Limit - Per *Insured* • Part II

This endorsement amends the Aggregate / Total Limits condition in *your* policy.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

Part II D - Special Liability Conditions, item 2.B.1 - Aggregate / Total Limit - General Coverages is amended as described below:

The general aggregate / total limit applies separately to each of *your named insureds*.

MCL 320 09 89

ADDITIONAL INSURED

This endorsement extends the definition of insureds to include the designated person or organization. The required information may be shown below or elsewhere in this policy.

Except as provides below, all other provisions in this policy are unchanged.

PERSONS INSURED EXTENSION

The definition of insured in the Glossary is amended to include the following as an *insured* here.

Insured includes the designated person or organization but only with respect to liability arising out of *your* business/operations or *your* premises.

DESIGNATED PERSON OR ORGANIZATION:

Per schedule on file with company

MIM 010 06 07

INLAND MARINE COMMON PROVISIONS FORM

This coverage form, together with one or more Inland Marine Coverage endorsements, establishes the provisions for Inland Marine insurance.

COVERAGE

A. DEFINITIONS AND WORD MEANINGS

Words shown in *italics* are defined in the Glossary. The meanings of other words / phrases not specifically defined are to be found in their relevant conventional definition, based on consideration of the context in which they are used in this coverage form.

2. Insuring Agreement Qualification

The Coverages in this coverage form are subject to certain Exclusions and Limitations, including General Exclusions, Property Not Covered, and Exclusions - Losses Not Insured.

B. INSURING AGREEMENT - COVERED LOSS

1. *We* will pay for fortuitous direct physical loss or damage to Covered Property caused by or resulting from any cause of loss not otherwise excluded or limited in this coverage form.

C. COVERED PROPERTY

We cover loss to property for which a specific limit of liability and related premium charge is shown on the Declarations or other specific endorsement. The term "Declarations" also includes a Supplemental Declarations or any other similar forms.

SUPPLEMENTAL COVERAGES

A. NEWLY ACQUIRED PROPERTY

1. *We* cover newly acquired property similar to that already covered in this coverage form, up to a limit of 25% of the existing amount of insurance on similar property, not to exceed a maximum of \$10,000, unless another limit for such property is shown in the Declarations.

Failure to report newly acquired property within 30 days or to pay the additional premium when due will void this coverage.

2. Additional Premium

Additional premium is due on a pro rata basis for the term from the date of acquisition to the expiration of the policy.

3. Coverage Period

This Supplemental Coverage applies for up to a period of 30 consecutive days from the date of acquisition.

B. PROPERTY OF OTHERS

Coverage is extended, up to the applicable limit shown in the Declarations, to property belonging to others, but in the care, custody, or control of an *insured*.

If MIM 501 is listed in the Declarations, this extension is deleted.

CAUSE OF LOSS OPTION

Coverage is provided for fortuitous direct physical loss to or theft of covered property not otherwise excluded or limited in this coverage form.

EXCLUSIONS - LOSSES NOT INSURED

We do not provide insurance for any sort of loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following - even if loss otherwise covered contributes to such concurrently or in any sequence.

1. DISAPPEARANCE OF PROPERTY EXCLUSION

Loss, otherwise covered under this coverage form, in connection with covered property that is missing where there exists no physical evidence to show what happened to the property. Loss discovered or inferred upon taking inventory.

2. DISHONESTY EXCLUSION

Criminal or dishonest acts by *you*, by any of *your* employees, officers, partners, representatives, trustees, volunteer workers, or by any other person to whom *you* entrust property.

This applies whether any such persons act alone or in collusion with others or such acts take place within or outside of working hours.

This Exclusion does not pertain to acts of physical damage by *your* employees.

3. FRAGILE ITEMS EXCLUSION

Breakage, chipping, marring, or scratching, of any sort, of fragile items (including, but not limited to: chinaware, glassware, marbles, porcelains, or statuary.) This does not apply to: loss caused by a *specified cause of loss*; containers of property held for sale by *you*; lenses of photographic or scientific instruments.

4. GOVERNMENTAL / LEGAL / WAR EXCLUSION

- A. Any act or condition of: war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such.
- B. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured*. Statutory fines or liability. Exemplary or punitive damages.
- C. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations. Loss to property that is contraband or in the course of illegal transportation or trade.
- D. Damage or destruction of property ordered by civil authority, other than immediate acts of destruction ordered by authorized civil authorities for the purpose of preventing the spread of fire - provided the fire originates from a cause of loss covered by this policy.

5. INTENTIONAL LOSS EXCLUSION

Acts committed by, or at the direction of, any *insured*, with the intent to cause a loss.

6. NUCLEAR / RADIOACTIVE LOSS EXCLUSION

- A. Any nuclear event, occurrence, or operation, including nuclear explosion, nuclear reaction, nuclear radiation, or radioactive contamination.

These are not fire, explosion, smoke, or any other covered cause of loss. However, if these result in fire, we insure such resulting direct fire loss, but not any other direct physical loss which may ensue.

- B. The explosive, radioactive, toxic, or other injurious properties of nuclear or radioactive materials - whether such materials are natural or manufactured.

7. UNAUTHORIZED / VOLUNTARY TRANSFER OF PROPERTY EXCLUSION

- A. Unauthorized Transfer - Loss in connection with property that is given or transferred to any persons or transferred to any place on the basis of false / unauthorized instructions - however such are given or transmitted.
- B. Voluntary Transfer - Loss in connection with property that *you* (or others to whom *you* have entrusted the property) voluntarily give to or transfer to anyone on the basis of being induced to do so by false pretense or fraudulent device, scheme, or trick.

8. WEAR, TEAR, AND OTHER SPECIFIED LOSS / CAUSE OF LOSS EXCLUSIONS

- A. Wear and tear; birds, domestic animals, insects, raccoons, rodents, or vermin; contamination or pollution including, but not limited to: (1) the discharge, dispersal, emission, escape, migration, release, or seepage of *pollutants*; (2) the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to clean up, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to *pollutants*, asbestos, *fungi*, mold or lead contamination or assess the effects of *pollutants*, asbestos, *fungi*, mold or lead contamination; corrosion; decay or deterioration; deficiency, error, or omission in design, materials, plans, or workmanship; disease; dry or wet rot; *fungi*, mold, spores, mildew, bacterium, or other natural growth; inherent vice (a customary characteristic of the property); latent defect (an original condition or fault leading to loss); marring or scratching; mechanical breakdown; rust.
- B. Contamination by any virus or other pathological agent that causes disease or illness in humans, animals, birds, or other creatures, or the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to cleanup, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to any virus or other pathological agent.

LOSS CONDITIONS

1. ABANDONMENT OF PROPERTY

Abandonment of any property to *us* is prohibited.

2. DUTIES WHEN LOSS / DANGER OF LOSS OCCURS

You, other *insureds*, and other coverage beneficiaries must do all of the following things:

- A. Report the Loss

Give immediate written notice to *us* of any loss. Also, immediately notify the police in case of theft, vandalism, or other violation of law. As soon as possible, give *us* a description of how, when, and where the loss occurred.

B. Protect Property

Protect property if in imminent danger from a covered cause of loss or, if loss has occurred, from further loss. For example, by taking exposed property indoors, by covering openings or windows, or by making temporary repairs. *We* cover the reasonable necessary expenses that *you* incur for such immediate temporary repairs or safeguards.

However, it is *your* ongoing obligation, at your expense, to - as soon as feasible after *you*, *your* employees, or those *you* authorize to act on *your* behalf become aware of any condition under *your* control which could lead to loss while this policy is in force - undertake all reasonable construction, maintenance, or repair necessary to protect property from such *covered loss*. Listing of all such conditions is not feasible, but examples include: if a roof is leaking, to repair such; if a flooring support is collapsing / deteriorating, to repair such; if new supports or retaining walls become required, to construct such.

C. Cooperation on the Loss

As often as *we* may reasonably request / require:

1. Immediately exhibit all that remains of the damaged and undamaged property, and allow *us* to take samples of such property for examination and inspection.
2. Produce for examination and copying: the inventory described in the following Paragraph D; all relevant accounting procedures, affidavits, books of account, bills, contracts, deeds, documents, evidence, financial records, invoices, liens, leases, receipts, records, tax returns, vouchers, or other sources of information, or facsimiles acceptable to *us*.
3. Submit to examination and provide statements under oath and sign and swear to such. If more than one person is examined, *we* reserve the right to make such examination of each person out of the presence of the others. *We* also reserve the right to video record any examinations.
4. Otherwise cooperate with *us* in the investigation / settlement of the claim.

D. Inventory

At *our* request, prepare and sign an inventory of all damaged and undamaged property, showing in detail: age; description; quantity; *actual cash value* and, if so covered, replacement cost; source; amount of loss claimed. To the extent possible, set the damaged property aside and put such in best possible order for *our* examination.

E. Statement of Loss / Proof of Loss

Submit to *us* a statement about the loss that includes all information reasonably required by *us* (including, but

not limited to, that described in preceding Paragraphs C.2 and D) to determine: coverage; *our* liability for the loss and the amount and scope of loss; specifications of any damaged buildings. The statement is also to include detailed repair estimates.

And if required; submit to *us* within 60 days after *our* request a signed, sworn proof of loss. This is to include the information described above and any other information reasonably required by *us*, including all knowledge available to *you*, and others about:

1. The time and cause of loss.
2. *Your* interest and that of all others in the property involved (including a description of all encumbrances on such property).
3. All other insurance policies which may apply to the loss.
4. Any changes in occupancy, title, or use of the property during the policy term.

Failure to comply with these (or other Conditions) can alter or void *our* obligations in this policy.

3. HOW LOSSES ARE SETTLED

A. Limit of Liability per Loss Occurrence

Our maximum liability is that amount which is the least one of all the following:

1. The *actual cash value* or the replacement value (if MIM 520 is listed in the Declarations) of the damaged portions of subject property at the time of loss. But, in no event exceeding the lesser of a or b:
 - a. The lesser cost reasonably required, with diligence and ongoing effort, to:
 1. Repair or restore the damaged property, bringing such to the same general condition as existed immediately prior to the loss; or
 2. Replace the damaged property with like property of comparable quality,
 - b. The necessary reasonable expense paid to repair, replace, or restore the damaged property.
2. Any factors, limits, special limits, or other recovery limitations described or specified in this policy as applicable to the subject loss and property, whether shown in the Declarations, any endorsements, or elsewhere in this policy. The inclusion of any sort of recovery limitations or special limits or the inclusion of more than one item within any provision in this policy do not increase or otherwise modify any of the general limits shown in this policy - unless specifically stated to be additional insurance.
3. The insurable interest of the *insured* (or other named interests) at the time of loss.

B. Appraisal

1. If *you* and *we* do not agree on the amount of the loss or values, either one can require that the items in dispute be set by appraisal. Within 30 days of receipt of a written demand for appraisal, each is to select a competent and disinterested appraiser. Each party is to then notify the other of the appraiser selected.
2. The two appraisers are to select a competent and disinterested umpire. If the appraisers are unable to agree upon an umpire within 15 days, *you* or *we* may petition a judge of a Court of Record to select an umpire.
3. The appraisers are to reach a mutual agreement on the items in dispute. If the appraisers fail to agree within a reasonable time, they are to submit their differences to the umpire. Written agreement signed by any two of these three persons constitutes settlement on the items in dispute.
4. Each appraiser is paid by the party selecting the appraiser. All other expenses of the appraisal are paid equally by *you* and *us*.
5. If *we* agree to appraisal, *we* specifically retain *our* right to deny the claim.

C. Deductible

We are liable for *covered loss* in any occurrence only when the loss is in excess of the deductible amount shown in the Declarations, and then only on the amount of loss less the deductible amount.

D. Loss to a Portion of a Pair or Set of Articles

1. Loss to some portion of a pair or set of articles or to property consisting of two or more parts (when complete) is not considered a total loss unless: because of such loss, the remainder is of no use and repair or replacement is not feasible.
2. In case *we* agree to pay for total loss, *you* are required to give *us* the remainder of such property, at *our* request, prior to such payment.

E. *Our* Liability and Satisfaction of *Your* Loss

If the maximum liability payable by *us* on *covered loss*, as determined under this policy, does not fully satisfy *your* loss, then *you* must either seek insurance that may

be provided by others for the difference or otherwise absorb the unsatisfied portion of the loss *yourself*.

F. *Our* Options in Settling Losses

1. *We* may pay for the loss in money.
2. *We* may repair or replace all or any part of the property as provided for in this policy, or take all or any part of such property at a mutually agreed, or appraised, value. *We* may give notice of *our* intent to do so at any time up to 30 days after *our* acceptance of *our* liability for the loss (i.e., proof of loss).
3. *We* may settle the claim with *you*, any loss payee named in this policy, or others legally entitled to receive payment. If the claim applies to property of others, *we* have the right to adjust the loss with the owners of the property: satisfaction of their claim is also satisfaction of *your* claim as to such property. If legal action is taken in a claim against *you*, *we* have the right to conduct and control a defense at *our* expense (but without increasing *our* liability under this policy).

G. Recovery of Covered Property

In the event *we* make a payment for loss and a subsequent recovery is made of any of the property, *you* may choose to keep the property *you* have recovered or receive the property that *we* have recovered. If *you* choose this option, *our* liability is reduced accordingly: payment is adjusted for the amount which *you* received for the loss to such property, and *you* must compensate *us* for the amount *we* previously paid.

If *you* do not choose this option, the recovered property becomes *our* property: if *you* have such property, *you* are required to give *us* those items *we* request.

H. When Loss Becomes Payable / Payment to Others

Loss becomes payable 30 days after completion and acceptance by *us* of a written agreement between the parties, or after an award is filed with *us* as provided in this coverage form. Payment under this coverage form shall not reduce the limit of insurance, unless payment is made for a total loss to a scheduled item. If payment is made for a total loss to a scheduled item, the amount of unearned premium applicable to such items shall be refunded to the *insured*, or applied to the additional premium for replacement items scheduled under this coverage form.

With respect to any mortgagee or secured party named in this policy; governmental entity; or others with contractual, legal, or statutory rights in loss payable by this policy: *we* may make payment jointly to all interested parties at *our* option. But *we* need not pay any loss assignee, unless they receive a full assignment of the loss from *you*.

If an insurance trustee is named in this policy, *we* may negotiate the loss and make payment solely to such trustee - to the extent that the trustee represents those with an interest in this policy.

4. NO BENEFIT TO BAILEE

This insurance does not apply to the benefit of any others having custody of covered property. Any assignment to such persons or organizations has no standing in this policy.

COMMON CONDITIONS

1. ACTION OR SUIT AGAINST *US*

The conditions for bringing an action or suit against *us* are described elsewhere in this policy in the state mandatory endorsement.

2. ASSIGNMENT OF *YOUR* INTEREST

No assignment of an interest in this policy is binding on *us* without *our* written consent. However, if *you* are an individual and die, this insurance applies to:

- A. *Your* legal representative, while acting within the scope of the representative's duties.
- B. Those with custody of *your* property prior to appointment of a legal representative.

3. CANCELLATION / TERMINATION

A. General

You may cancel this policy by: surrendering the policy to *us* or *our* agent or by mailing *us* or *our* agent notice stating a subsequent cancellation date for the policy. Such request made by the *first named insured* applies for all *insureds* / interests named in this policy. All cancellations are pro rata, but a minimum earned premium may apply. Any return premium is payable to the *first named insured* - within 30 days after the cancellation date.

If *you* secure insurance with another insurer to replace *our* policy and do not pay the premium, or installment payment, for this policy when due: this policy terminates at the time such other insurance becomes effective. If *you* sell the described business or premises to others, coverage under this policy terminates at the time title is transferred to others with respect to such business or premises - unless *you* retain an insurable interest.

B. *Our* Right to Cancel or Terminate

Our rights to cancel or terminate this insurance are described elsewhere in the state mandatory endorsement.

4. CONCEALMENT / MISREPRESENTATION / FRAUD

This policy is void if, either before or after a loss, any *insured* misrepresents or knowingly conceals any material fact or circumstance, commits fraud, or swears falsely

relating to any aspect of this insurance (including the information *we* relied upon in issuing this contract).

However, if *we* specifically choose not to declare this policy void, *we* do not provide insurance in this policy to, or for the benefit of, any such *insureds*.

5. CONFORMITY WITH STATUTE

It is agreed by *us* that the provisions in this policy are amended to conform to all applicable statutory requirements.

6. COVERAGE TERRITORY

We cover damage or loss only within the fifty states of the United States of America (including its possessions and territories), the District of Columbia, Puerto Rico and Canada.

7. EXAMINATION / CHANGES

We may, at *our* option, inspect *your* property and operations at any time, make surveys, and make recommendations. However, *our* reports or recommendations or those of any inspection bureau or rating bureau do not constitute a determination or representation that any premises or operations are in compliance with law or regulation, healthful, or safe.

We may inspect and audit *your* books and records at any time (including up to 3 years after termination of this insurance contract) to the extent such pertains to the subject of this insurance or payment of premium. The *first named insured* is required to keep all records necessary for such and send complete accurate copies to *us* at *our* request.

We may make premium adjustments based on the findings of *our* inspection and audit.

8. INSURANCE UNDER MORE THAN ONE COVERAGE

In the event that more than one coverage in this policy covers the same loss, *we* are liable only for the amount of *our* obligation, up to *our* limit of liability, not exceeding the amount of loss.

9. LIBERALIZATION

This policy is automatically extended to include provisions approved during the policy period or within 45 days prior to its inception, which would broaden coverage under this

policy, if such are not subject to additional premium or concurrent with coverage restrictions.

10. OTHER INSURANCE

A. If any of the property covered under this insurance is also covered under another coverage form of this policy, those provisions are hereby amended to exclude such property. Coverage under this coverage form is the sole coverage on such property under this policy.

B. This insurance is excess insurance over other insurance *you* may have applicable to the loss (whether *you* can collect on it or not) that is not subject to the same provisions contained in this policy.

C. When this insurance is excess over other insurance: *We* pay only *our* share of the remaining loss that exceeds the sum of both:

1. The total amount payable by all such insurance, as described, in the absence of this insurance; plus
2. The total of any deductibles or self-insured amounts under all such insurance.

Furthermore, any remaining loss is then shared by *us* with any other insurance remaining on the loss in accordance with the provisions described in the following Paragraph D.

D. With regard to other insurance subject to the same provisions contained in this policy or where *we* otherwise are a primary insurer (among others) *we* pay in one of the following ways:

1. If all such other insurers provide for contributions by equal shares: *we* and all other insurers contribute equal amounts until the amount of obligation is paid or the insurer's applicable limit of liability is used up, whichever comes first.
2. If any other insurer does not provide for equal shares: *we* pay no greater proportion of the total amount of loss than *our* obligation on the applicable limit of liability in this policy bears to the total amount of insurance of all insurers covering the loss.

However, if *you* have any other insurance applicable to property covered by this policy - but not covering a cause of loss covered by this policy, then: any loss payable under this policy in connection with such cause of loss is apportioned and payable by *us* in the same way as if such other insurance covered the loss.

11. PREMIUMS

The *first named insured* is responsible for the payment of all premiums, and will be the sole payee of any premiums *we* return.

12. RECOVERY FROM OTHERS

If any *insured* (or others) to whom, or for whom, *we* make payment has any rights of recovery on the loss from another, those rights are transferred to *us* to the extent of *our* payment under this policy. *Insureds* (or such others) must do whatever *we* require to secure these rights. *You* may waive such rights in writing prior to a *covered loss*. *You* may also waive such rights after a loss, but only if the waiver is given to either:

- A. Another *insured* in this policy; or
- B. A business either controlled or owned by *you* or that controls or runs *your* business.

But *we* have no obligation to pay under this policy on the loss if these rights are otherwise waived.

13. TIME OF INCEPTION AND COVERAGE PERIOD

The time of inception and expiration is 12:01 A.M. Standard Time at the mailing address shown in the Declarations. Unless otherwise specifically provided for by this policy, this insurance applies only to *covered loss* that takes place during the policy term.

14. WAIVER OR CHANGE OF PROVISIONS

Only the *first named insured* may request changes in this policy. The terms of this policy may not be waived or changed except in writing, signed by *our* agent and attached to this policy. The exercise of *our* rights under this policy is not an act of waiver. This policy contains all related agreements between *you* and *us*.

GLOSSARY

The following words shown in *italics* are defined for the purposes of insurance under this coverage form to mean the following:

Actual Cash Value - Consideration may be given by *us* in *our* determination of *actual cash value* to: age; condition; cost to repair, replace, or restore the property, subject to deduction for depreciation; deterioration; economic value; market value; obsolescence (both structural and functional); original cost; use; utility; or other circumstances that may reasonably affect value.

Covered Loss - *Covered loss* means fortuitous direct physical damage to, destruction or theft of covered property by a covered cause of loss.

Fungi - *Fungi* means any type or form of fungus, mold, mildew spores, algae, smut, protists, rusts or *rot and decay organisms*, and any similar or related organisms and any mycotoxin, substance, compounds, chemicals, mist or vapor produced by any *fungi* in any form, or any by-products or waste produced by *fungi*, but does not include any *fungi* intended to be edible.

Insured - *Insured* means the person or entity designated as *insured* in the Declarations, or otherwise named as an *insured* in this policy. *First named insured* is the *insured* named first in the Declarations.

Pollutants - *Pollutants* are any gaseous, liquid, solid, or thermal contaminant or irritant, including acids, alkalis, chemicals, fumes, smoke, soot, vapors, and waste (including materials to be reclaimed, reconditioned, or recycled).

Rot and Decay Organisms - *Rot and decay organisms* means any living organism that causes decomposition of physical property.

Specified Causes of Loss - Where the term *specified causes of loss* is used in this coverage form, the term means the following:

fire; accident to a transporting conveyance; aircraft; collapse; earthquake; explosion; falling objects; flood; lightning; riot or civil commotion; sinkhole collapse; smoke; sprinkler leakage; theft; vandalism or malicious mischief; vehicles; volcanic eruption; water damage; weight of ice, sleet, or snow; windstorm / hail.

We / Us / Our - *We, us, and our* refer to the Insurance Company named in this policy.

You / Your / Yourself - *You, your and yourself* refer to the *named insureds* who are the *insureds* named in the Declarations. *First named insured* is the *insured* named first in the Declarations.

MIM 102 04 07

COMPUTER HACKING AND VIRUS EXCLUSION

This endorsement excludes losses caused by computer hacking and computer viruses.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL EXCLUSION — LOSSES NOT INSURED

The following is added to the Exclusions / Losses Not Insured Section:

COMPUTER HACKING AND VIRUS EXCLUSION

We do not cover losses due to computer hacking or computer viruses.

ADDITIONAL DEFINITIONS

The Glossary is amended to include the following:

Computer hacking means unauthorized intrusion into a computer network, hardware, software or website including entry of a computer worm or Trojan Horse, spyware or adware that results in:

1. Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;
2. Copying, observation or scanning of data records, programs and applications and proprietary programs;
3. Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;
4. Deletion, destruction, generation or modification of software; or
5. Denial of access to or denial of service from *your* computer network, hardware or website.

Computer virus means the introduction into hardware, software or a website of any malicious selfreplicating electronic data processing code or other code that is intended to result in, but is not limited to:

1. Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;
2. Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;
3. Deletion, destruction, generation or modification of software; or
4. Denial of access to or denial of service from *your* computer network, hardware or website.



MIM 110 12 96

FINE ARTS COVERAGE

This endorsement, together with the Inland Marine Common Provisions Form (MIM 010) provides fine arts coverage. The required information may be shown below or elsewhere in this policy.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.
 Except as provided below, all other provisions in this policy are unchanged.

Policy # REL6000006

SCHEDULE

Description of Covered Property:
 See Endorsement K

Limit of Liability
 \$

Deductible
 \$ 1000

ADDITIONAL EXCLUSION**EXHIBITION EXCLUSION**

We do not cover property while at exhibitions or fairs.

If MIM 503 is listed in the Declarations, this exclusion does not apply.

ADDITIONAL CONDITIONS

Loss Conditions 3. A and D are replaced with:

A. Limit of Liability per Loss Occurrence

The amount we will pay for any item is the limit shown in this policy.

D. Loss to a Portion of a Pair or Set of Articles

Loss to some portion of a pair or set of articles, or to property consisting of two or more parts will be considered a total loss. We agree to pay the total limit shown for the set. You are required to give us the remainder of such property, at our request, prior to such payment.

Loss Conditions 3. B and C do not apply.

ADDITIONAL SPECIAL CONDITION**PACKING**

You agree that all property insured under this endorsement will be packed and unpacked by competent packers.

SUPPLEMENTAL COVERAGE

Newly Acquired Property is replaced with:

Newly Acquired Property - Additional Insurance

1. *We cover newly acquired Fine Arts up to the limits specified above or elsewhere in this policy. If no limits are shown, we cover up to 25% of the existing amount of insurance on Fine Arts.*
2. **Coverage Period**
This Supplemental Coverage applies for up to a period of 90 consecutive days from the date of acquisition.
3. **Additional Premium**
Additional premium is due on a pro rata basis for the term from the date of acquisition to the expiration of the policy.
Failure to report newly acquired Fine Arts within 90 days or to pay the additional premium when due will void this coverage.



MIM 140 01 15

CERTIFIED TERRORISM LOSS COVERAGE

This endorsement modifies the policy to extend coverage for certified acts of terrorism for Inland Marine Coverage.
Except as provided below, all other provisions in this policy are unchanged.

1. COVERAGE MODIFICATION

- A. Any exclusion of terrorism contained in this policy or attached to this policy by endorsement does not apply to a *certified terrorism loss*.
- B. **Cap on Certified Terrorism Losses**
 If the Secretary of the Treasury determines that the amount of *certified terrorism loss* has exceeded the maximum annual liability under the terms of the Federal Terrorism Risk Insurance Act of 2002 or any subsequent action of Congress pursuant to the Act, we will not pay for any amount of *certified terrorism loss* that exceeds such maximum annual liability.
- C. **Other Exclusions**
 The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy by the Governmental / Legal / War Exclusion, the Nuclear / Radioactive Loss Exclusion or any other exclusion.

2. ADDITIONAL DEFINITIONS

The following definitions apply:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism that is:

- A. A violent act or an act that is dangerous to human life, property or infrastructure and that resulted in damage with an aggregate loss exceeding \$5,000,000;
 - 1. Within the United States;
 - 2. At the premises of a United States Mission; or
 - 3. To an air carrier (as defined in section 40102 of title 49, United States Code) or to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs;
- B. Committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Certified terrorism loss means loss that results from a *certified act of terrorism*.



MIM 143 01 15

NON-CERTIFIED ACTS OF TERRORISM EXCLUSION

This endorsement modifies the policy to exclude certain loss arising out of terrorism for Inland Marine Coverage.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

1. COVERAGE MODIFICATION

- A. The following exclusion is added to the Inland Marine Coverage EXCLUSIONS – LOSSES NOT INSURED:

NON-CERTIFIED ACTS OF TERRORISM EXCLUSION

1. We do not provide insurance for any loss or damage directly or indirectly arising out of or resulting from a *non-certified act of terrorism*, including any action taken in hindering or defending against an actual or expected *non-certified act of terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
2. Regardless of the amount of damage and losses, this *Non-certified Acts of Terrorism* Exclusion applies to any *non-certified act of terrorism*:
 - a. That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
 - b. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 - c. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *non-certified act of terrorism* was to release such materials.

In incidents of *non-certified acts of terrorism* other than those described in the preceding Paragraphs 1.A. 2.a, b, and c, the *Non-certified Acts of Terrorism* Exclusion will not apply unless the *insured damage* to all types of property (in the United States, its territories and possessions, the District of Columbia, Puerto Rico and Canada), sustained by all persons and entities affected by the *non-certified act of terrorism* (and including loss of Business Income and Extra Expense sustained by owners or occupants of such damaged property), exceeds a total of \$25,000,000. Multiple *non-certified acts of terrorism* which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one *non-certified act of terrorism*.

The preceding paragraph describes the threshold used to measure the magnitude of a *non-certified act of terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether the *Non-certified Acts of*

Terrorism Exclusion will apply to that incident. When the *Non-certified Acts of Terrorism* Exclusion applies to a *non-certified act of terrorism*, there is no coverage under this insurance.

In the event of any *non-certified act of terrorism* that is not subject to the *Non-certified Acts of Terrorism* Exclusion, coverage does not apply to any element of loss or damage that is otherwise excluded under this insurance.

3. However, with respect to any activity that also comes within the terms of the Governmental / Legal / War Exclusion, that exclusion supersedes this *Non-certified Acts of Terrorism* Exclusion.

In the event of a *non-certified act of terrorism* that involves nuclear reaction or radiation, or radioactive contamination, this *Non-certified Acts of Terrorism* Exclusion supersedes the Nuclear / Radioactive Loss Exclusion.

- B. The GOVERNMENTAL / LEGAL / WAR EXCLUSION is replaced by the following:

GOVERNMENTAL / LEGAL / WAR

1. Any act or condition of: war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such act or condition, whether actual or expected. With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this exclusion supersedes the Nuclear / Radioactive Loss Exclusion.
2. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured*. Statutory fines or liability. Exemplary or punitive damages.
3. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations. Loss to property that is contraband or in the course of illegal transportation or trade.
4. Damage or destruction of property ordered by civil authority, other than immediate acts of destruction ordered by authorized civil authorities for the purpose of preventing the spread of fire – provided the fire originates from a cause of loss covered by this policy.

2. OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise



be excluded under this policy by the Governmental / Legal / War Exclusion, the Nuclear / Radioactive Loss Exclusion or any other exclusion.

3. **ADDITIONAL DEFINITIONS**

The following definitions apply:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism that is:

- A. A violent act or an act that is dangerous to human life, property or infrastructure and that resulted in damage with an aggregate loss exceeding \$5,000,000:
 - 1. Within the United States;
 - 2. At the premises of a United States Mission; or
 - 3. To an air carrier (as defined in section 40102 of title 49, United States Code) or to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs;

- B. Committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

Non-certified act of terrorism means a violent act or an act that is dangerous to human life, property or infrastructure and that is:

- A. Committed by an individual or individuals and appears to be a part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion; and
- B. Not deemed to be a *certified act of terrorism* under the terms of the Federal Terrorism Risk Insurance Act of 2002 or any subsequent action of Congress pursuant to the Act.